









THE
HISTORY
OF THE
EUROPEAN COMMERCE
WITH
INDIA.

TO WHICH IS SUBJOINED
A REVIEW OF THE ARGUMENTS
FOR AND AGAINST
THE TRADE WITH INDIA,
AND
THE MANAGEMENT OF IT BY A CHARTERED COMPANY;
WITH
AN APPENDIX OF AUTHENTIC ACCOUNTS.

By DAVID MACPHERSON,
AUTHOR OF THE ANNALS OF COMMERCE, &c.

HISTORY IS PHILOSOPHY TEACHING BY EXAMPLE.

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P R E F A C E.

IT is a matter of regret to some of the most enlightened politicians and patriots, that the affairs of India are treated by most people with an indifference and apathy, which, if the vast importance of that country, whether commercially or politically considered, were duely known, would immediately be shaken off by every well-educated British gentleman, who knows that it is his duty to understand, and by every honourable means to promote, the interest of his native country.

No work has hitherto been offered to the Public, containing a faithful account of the commerce with India, brought down to the present time*: and therefore whoever wishes to acquire a competent knowlege of that most important branch of commercial history, must labour through a vast number of volumes, some written in Latin, and others in almost all the modern languages of Europe, with a copious interspersion of Oriental vocables†, and also through prodigious masses of controversial publications: and these being generally written with a view to mislead rather than to inform, the greatest caution is necessary in the perusal of them to guard the reader's judgement from being carried away by the misrepresentations of party zeal or commercial jealousy: and he must also obtain access to official documents, many of which even money cannot procure,

* The Abbé Raynal's Philosophical and political History comes no lower than the year 1778: and his lively imagination and frequently-erroneous information, have too often betrayed him into well-meaning, but mistaken, addresses to the passions of his readers.

† A writer, who makes too frequent an use of Greek or Latin words, not generally naturalized in the English language, is branded with

the name of a pedant: he, who drops a provincial word or phrase, is esteemed little better than a clown. But pedantic or provincial words are much more tolerable, because they are pretty generally intelligible, than Oriental words, which no person in this country, unacquainted with India, can possibly know any thing of.

before he can acquire accurate information respecting the origin and progress, the misfortunes and successes, of a trade, which has in all ages enriched the Nations who have prudently conducted it, and has raised some of them in comparative political importance very much above the rank, which their natural advantages could have acquired for them in the scale of Nations.

But few can have leisure and inclination to undertake the labour of such an extensive research : and therefor, in order to bring so desirable a branch of knowledge within the reach of every reader, I have composed the following concise History of the European commerce with India, traced from its origin, and brought down to its present state.

Though the India trade of the antients was so very different from that of the moderns, that it may seem scarcely necessary to connect them, I have thought that a very brief sketch of it, prior to the famous voyage of Gama, would be a proper Introduction to the work, and render it somewhat more complete within itself.

Some may perhaps think, that the history of the commerce of our own country with India is all that can be interesting to a British reader, and that the history of the India trade of the European continental Nations is superfluous. But, as the great use of history is to teach by example, the knowledge of the past being the only guide we can have in forming a judgement concerning the future, it is of great importance to know the events, which have promoted the prosperity, or brought on the decline, of the India trade of all the Nations of Europe, who have entered into it.

The India trade of Portugal, conducted, without any knowledge of the principles of commerce, for the sole account of the Sovereign, in subservience to a sanguinary system of conquest, rapine, and persecution, and liable to be deranged by the caprices of a rapid succession of ignorant, arbitrary, and avaricious, Viceroys, is particularly worthy of attention, as holding out a most important lesson to every Nation connected with India, and most especially to this Nation, whose India Company, by means infinitely more just and honourable, have acquired a much more compact, and, we may hope, more permanent, empire, than the Portuguese possessed in the most splendid period of their domination.

The history of the India trade of France and some other countries shows the fatal consequence of commercial Companies depending for their pecuniary resources on the bounty or favour of Government, and especially of an absolute Government, and being subject to the interference and direction of such a Government.

The

The East-India Company of this country have risen, from a very small beginning, through innumerable hardships and distresses at home and in India, to a height of opulence and power, which has made them the admiration and envy of the Nations. In tracing their progress I have endeavoured to lay before the reader every important event, which has obstructed or promoted their prosperity : and, as the facts I have narrated rest upon the unquestionable authority of original records and official documents, I trust they may be confidently referred to by every enlightened politician and merchant, who may wish to appreciate the political and commercial importance of the greatest commercial Company that ever existed in any age or country.

The question, whether the East-India trade shall be conducted by a great Company, trading regularly and uninterruptedly with a joint stock, and vested with an exclusive privilege, or be left to the pleasure of every individual to enter into it when he thinks proper, or to throw it up when he thinks proper, is not, as some may be apt to think it, a matter, in which only the Company, on the one side, and those who wish to engage in the trade without controul, on the other side, are concerned. It is of the utmost importance to every person, who feels himself interested in the prosperity of the British empire, to be possessed of the facts, which may enable him to judge, whether a monopoly under judicious regulations, or an open trade scarcely susceptible of any regulation, is most likely to secure to Great Britain the vast revenue, and other great commercial and political advantages, arising from a branch of commerce so essentially differing from all others as that of India ; or, in other words, whether the India trade, together with that great portion of our general commercial prosperity and maritime power derived from it, shall be preserved to this country, or be abandoned to foreigners.

Of late there have appeared several publications, calculated to influence the public mind in favour of an universal freedom of trade with India, and others recommending a continuation of the monopoly, on condition that a few merchants of a certain description may be admitted to share the benefits, without bearing any part of the burthens, of the privileged Company. The reader, who takes the trouble of looking into them, will find in most of them frothy declamation, and even scurrilous abuse, together with some perverted statements, instead of solid arguments and authentic facts. Of facts indeed, whether truly or erroneously stated, they are very sparing : but they deal largely in random predictions (like the prospects of *possible advantages* held out to the unwary in lottery advertisements) of the wonderful national benefits to be derived from a vast extension of the India trade ; though it is evident to every thinking person,

son, and has been repeatedly confirmed by dear-bought experience, that any very great extension of the trade (and some of the modern projectors have proposed to carry it to ten times its present extent) must infallibly ruin the merchants concerned in it, and eventually deprive the British consumers of a regular supply of commodities, which their habits have rendered necessary to their comfortable existence.

In order to make the reader acquainted with the claims and the proposals of the opponents of the Company, and of the arguments which have been adduced for and against the justice and policy of conducting the trade under the management of a joint-stock Company, invested with a modified exclusive privilege, I have endeavoured to lay before him a fair abridged review, or abstract, of what has been said on both sides of this important controversy, which forms a proper sequel to the historical narrative. I foresee that the advocates for open trade will accuse me of partiality to the Company. But I can very sincerely declare, that, if any such partiality exists, it has been produced in my mind by a strict attention to facts, and a careful examination of the arguments on both sides, which have led to a conviction, contrary to the opinion I entertained many years ago, that an abolition, or even a diminution, of the commercial or political privileges of the East-India Company would deprive this empire of a great part, perhaps the whole, of the valuable trade, carried on by them with such distinguished pre-eminence over the East-India trade of all other Nations, and would go far to destroy that mutual dependence of the several branches of the Legislature, which is esteemed the great perfection of the British constitution.

I am fully aware of the very great disadvantage I must lie under in presuming to dissent from the opinions of authors of such great and established reputation as De Witt and Smith. But the former of these, though justly esteemed one of the greatest Statesmen of the age he lived in, whose judgement, as Sir William Temple observes, was never perverted, except by what he conceived to be the interest of his country, was obviously erroneous in supposing the East-India and West-India trades reducible to the same system of management. The later, though his authority upon other points of political economy has repeatedly been referred to as an oracle by the most distinguished members of the British Senate, has fallen into the same gross error with De Witt; nor are his other notions respecting the commerce of India less erroneous. It must be remembered, however, in justice to Doctor Smith, that, when he wrote, Indian affairs were less known in this country than they are now; that the Company's territorial acquisition was recent, and that, before their government was properly established, many unwarrantable actions were committed by some of their servants in India, which were related, with a good deal of exaggeration, by Colonel Dow in his

PREFACE.

‘ History of Hindostan,’ published in the years 1768 and 1772, a work from which Smith appears to have drawn much of his information upon East-India affairs *.

The history of modern times, being generally drawn from a comparison of a great variety of vouchers, many of them equally entitled to confidence, and all of them making equal pretensions to veracity, can scarcely admit of that pointed reference to authorities, which is essentially necessary to a modern composition of antient history, and which I have punctually given in those parts of my former works, which contain antient history. The reader, who has honoured those works with his attention, will probably be disposed to believe that I have not left any accessible authority unexamined, nor neglected any means to draw out the truth from the contradictory assertions of contending interests, though I have not filled the pages of this work with the names of the innumerable authors, official accounts, and other documents, from the laborious perusal and careful comparison and estimation of which I have constructed my narrative. The authorities adduced in the Introduction are chiefly in support of facts, which have been overlooked by some modern writers, and misrepresented by others, in consequence of not attending to the antient authors most worthy of credit. Some passages in the body of the work, which are liable to doubt or controversy, are also fortified by reference to authorities.

The Accounts contained in the Appendix comprehend a thesaurus of unquestionable information, which ought to be the foundation of all arguments concerning the India trade, and they are presented in a very compendious form, for the use of those who desire to think for themselves.

The Map, which accompanies this work, has been constructed under my own immediate direction, and contains every Oriental country and place mentioned in it, except some small forts on the Island of Bombay, and two or three places, of which the position is now unknown.

Though the work, which I now presume to lay before the Public, is compressed into one moderate-sized volume, I have employed, in obtaining and digesting the materials of it, all the time I could spare from other avocations during a considerable number of years, or rather, in some degree, during the greatest part of my life-time ; as commercial history has occupied a good deal of my attention, ever since I have been convinced that mankind are much more deeply interested in contemplating the progress of industry, civilization, social

* Dow’s first and second volumes are dated 1768, and his third 1772. Smith began to print

his Inquiry in 1775. See Advertisement to his third edition.

order, comfortable subsistence, and happiness, which in every part of the world go hand-in-hand with well-directed commerce, than in studying the revolutions of empire, or the miseries brought upon the human race by the sanguinary exploits of conquerors. In noticing the time employed upon the work, I do not propose to make the reader expect a finished or elegant performance, but merely to show that it is not one of the crude publications, which are got up in a hurry, and obtruded upon the World with scarcely any attention to the authenticity of facts.

Having now given a sketch of the plan and execution of the work, I respectfully submit it to the candour of the Public.

Church Terrace, Pancras,
11th March 1812.

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THE
HISTORY
OF THE
EUROPEAN COMMERCE WITH INDIA.

INTRODUCTION.

THE commerce of the western parts of the world with the opulent and early-civilized nations of the East has in all ages produced the most important advantages to the people who have engaged in it. In a very early age those advantages were well understood by the nations spread along the south coast of the great peninsula of Arabia, who appear, from the book of Job, to have made great progress in fisheries, manufactures, commerce, and navigation, and also in many of the arts and sciences, particularly astronomy, geometry, arithmetic, music, engraving on metals and stones, and shipbuilding. That they had an early commercial intercourse with India, appears unquestionably in the very dawn of history, which exhibits to us the first commercial adventure upon record *, conducted by an Arabian caravan, consisting of ‘a company of Ish-meelites, come from Gilead, with their camels, bearing *spicery*, and balm, ‘and myrrh, going to carry it down to Egypt †.’

Of all the many nations comprehended under the general name of Arabians, the Sabæans were the most distinguished for commercial eminence and nautical enterprise. Their voyages probably extended to Coromandel, Ceylon, and even

* I call this the first upon record, because no particular commercial transaction is recorded in the history of Job, and his age is not ascertained, though the most learned commentators seem to agree in placing him as early as Abraham.

† *Genesis*, c. 37. Saint Jerome translates the articles of their merchandize, ‘*aromata, et resinam, et stacten.*’

the Spice Islands, from which they seem to have imported the spices of superior quality, which, together with other magnificent gifts, were presented by their Queen to Solomon, the wise, pacific, and commercial, King of Israel. [*II Chronicles*, c. 9.] Happily situated in the south corner of the peninsula, at a great distance from all the turbulent conquerors, who successively ravaged the greatest part of Asia, and possessing Aden (or Arabia Felix) and some other convenient ports, which enabled them to command the trade of the eastern and western parts of the world, they enjoyed tranquillity and safety, and derived from their extensive commerce an abundance of all the comforts and all the splendid luxuries of life.

The Sabæans established colonies in foreign countries, and some of their merchants possessed a territory in Africa, from which, we are told, they received a tribute, to bring home which they sent their ships, under the conduct of commanders and supercargoes, well acquainted with the language and manners of the tributary nation. It is not impossible that those merchants may have been merely proprietors of plantations in the African colonies (as many British merchants in the present day are proprietors of West-India plantations) and that the sight of the produce, brought home to the proprietors, might lead our Egyptian-Greek informers into a mistaken notion, that it was a tribute payable to themselves. But if those merchants were really so powerful as to hold a distant country under subjection to them, they must have been a great corporate body, acting with united councils and strength, like a modern East-India Company.

The Southern Arabians long continued to be the principal commercial agents between the nations of the East and those of the West. The Egyptians received the rich merchandize of the Oriental regions immediately from Arabia; and all the other western nations were supplied by the Sidonians, Tyrians, and other Phœnicians, including the merchants of Carthage, and those of the little island of Gadir, now called Cadiz, who all obtained their Indian goods, immediately or mediately, from the merchants of South Arabia, who also supplied Syria and Mesopotamia by the navigation of the Euphrates, and by land caravans*.

The commercial prosperity of the Phœnicians of Asia suffered a great depression in consequence of their subjection to the Persians, and afterwards to

* As the very curious and interesting account of the commercial prosperity of the Sabæans, and of the Southern Arabians in general, has been overlooked by most modern writers, it is necessary to inform the reader, that it may

be found at great length in the work of *Agatharchides*, *apud Photium*, whose account is supported by some notices in the *Periplus of the Erythrean Sea*.

the Macedonians. Ptolemy, one of the Macedonian Generals, having obtained the kingdom of Egypt, as his share of the conquests of Alexander, his deceased Sovereign, used every means of compulsion and encouragement to draw the trade away from the Phœnicians to Alexandria, his new capital: and in process of time that city was raised to opulence and splendour by the profitable trade of supplying not only Egypt and the neighbouring parts of Africa, but also all the coasts of the Mediterranean Sea, with the productions and manufactures of the East. They were procured, as formerly, in Arabia, and landed on the west coast of the Red Sea, whence they were carried by camels across the desert, and floated down the River Nile, which, with the help of a canal of communication, conveyed them to Alexandria.

The trade continued in this channel till the overwhelming power of the Romans reduced Egypt to the condition of a province of their vast empire. Then the Egyptian-Greeks, seeing almost all the nations in the western parts of the world their fellow-subjects, resolved to make the best use of an opportunity so exceedingly favourable to a great and safe extension of their commerce, and at last opened their eyes to the advantage, which the situation of their country presented to them, for *taking into their own hands the direct trade with India, which none of their ancestors had ever attempted* *. Alexandria thereupon

* Several modern authors have believed, that a direct trade between Egypt and India was established by the first Ptolemy, and kept up by his successors: and some have been even so wild as to assert, that the most antient Egyptians were not only the first traders to India, but even the inventors of commerce and navigation. In a work, the plan of which does not admit of entering deep into literary controversy, it would be improper to transcribe all the proofs which might be produced against the existence of an Egyptian trade with India: but neither must they be all omitted, as it is necessary, in order to satisfy the reader, to shew that the belief of such a trade, though admitted by some writers of reputation, is not only entirely destitute of any historical evidence, but even contradicted by unquestionable authority.

Agatharchides, who lived in Egypt, could scarcely have neglected to mention the voyages of the Egyptians to India, had any such been made in his time: but on the contrary, he in-

forms us in his minute account of the trade of the Sabæans, already referred to, that they supplied the Egyptians with Oriental merchandize. This is at least a strong *presumptive evidence* against the existence of an immediate Egyptian trade with India: but what follows must be received as *proof positive*.

Strabo was in Egypt twenty-three years before the birth of Christ, being then a young man, and he composed his geographical work in his old age. He notices, that, as the vessels of the Alexandrians *now* sail even as far as India, many things respecting distant countries are much better known than they were formerly; and he says, that, when he was in the upper part of Egypt, one hundred and twenty vessels (which, as we know from other authority, were very small) sailed from Myos Hormos, a port of the Red Sea, for India. Afterwards, when observing that the revenue of Egypt must be much greater than it was under the Kings of the Macedonian race, in consequence of the superior

thereupon became the commercial capital of the whole Roman empire, and was scarcely inferior to the imperial city itself in population and opulence. In a few years after the commencement of the India voyages, the route was rendered shorter by the Egyptian-Greek navigators acquiring the knowledge of the periodical regularity of the monsoons; whereupon larger vessels were employed in the trade, which continued to flourish as long as the Roman empire remained in vigour*.

Though Alexandria was the great and chief entrepot of the commercial intercourse between the eastern and western parts of the world, it was not the only channel of conveyance. There was also a very considerable trade carried on by a conveyance comprehending land carriage, river navigation, and the navigation of the Euxine (or Black) Sea and the Caspian Sea, by means of which

superior energy of the Roman government, and the acquisition of the trade with India and Ethiopia, he says, 'Formerly there were not twenty vessels that ventured beyond the entrance of the Arabian Gulf (or Red Sea); but now large fleets sail as far as India and the farthest coast of Ethiopia, from which the most precious articles of merchandize are brought to Egypt.' [*Strab. Geogr. L. ii, p. 179; L. xvii, p. 1149, ed. Wesseling.*]

Having thus fixed the date of the commencement of the Egyptian trade with India with sufficient certainty, it is necessary also to point out the mart, which previously supplied the Egyptians with Oriental goods, which we are enabled to do with equal, or still greater, certainty.

Theophrastus, who was contemporary with the first Ptolemy, informs us, that vessels sailed from Hero-opolis, a port at the head of the north-west branch of the Red Sea, to Sabæa, where they purchased frankincense, myrrh, casia, cinnamon, &c. [*Hist. Plant. L. ix, c. 4.*]

Agatharchides, already quoted, who lived two centuries later than Theophrastus, corroborates his evidence; and he also observes, that Egypt was much enriched by the trade with Sabæa.

The judicious and accurate author of the Periplus of the Erythræan Sea, who appears to have lived in the first century of the Christian æra, informs us, that the city of Arabia Felix (Arabia the

Happy, or the Fortunate) a port of Sabæa, was so called, 'because when as yet no person sailed from India to Egypt, neither had any one ventured to sail from Egypt as far as India, they proceeded only to that city, which was a mart for the merchandize both of India and Egypt.' [*Peripl. Mar. Erythr. p. 156, ed. Blancardi.*]

These authorities, it may be presumed, are fully sufficient to prove that Egypt, before it was subject to the Romans, had no direct commercial intercourse with India.

Even in the present day, the Egyptian sailors are very awkward, and there are very few of them. [*See Browne's Travels, p. 75.*] But all writers and travelers, from the author of the book of Job to Chardin and Niebuhr, distinguish the South Arabians, and more especially those of Yemen, the antient Sabæa, as the most skilful navigators in the Indian Ocean: and we learn from Niebuhr, that the South Arabians still preserve the antient trade of supplying Egypt with Indian goods, and almost in the same channel of conveyance, which was used by their remote ancestors.

* So great and lucrative was the commerce of Alexandria, that Firmus, a merchant of that city, towards the end of the third century, was able to maintain an army. But he lost his great riches, and also his life, in a vain attempt to make himself an Emperor.

India goods were carried as far as Constantinople. The conveyance by the Persian Gulf and the Euphrates was also kept up ; and Palmyra, a city standing on a fertile spot amidst sandy deserts, by being an entrepot in this trade, became wealthy and magnificent, as the ruins of it, still remaining, testify.

When the unwieldy Roman empire fell by its own weight, the Arabians resumed their rank as the first commercial people in the western world : and, being stimulated by the enthusiasm of a new religion, which held out Paradise as the sure reward of military prowess, they also became the greatest conquerors, and with most astonishing rapidity obtained lasting possession of many of the finest countries upon the surface of the globe. Their military ardour did not detach them from their commercial pursuits, but rather added new vigour to them. Their conquests enabled them to command the whole extent of the Mediterranean Sea, and also to assume the empire of the Indian Ocean, and thereby to extend their commercial voyages far beyond the utmost limits of the navigation of their ancestors. On almost every shore of that Ocean, they either became the ruling people, or established factories, and were thereby enabled to command the commerce of silks, pretious stones, pearls, spices, and other articles of luxurious expenditure.

The frantic expeditions, undertaken in the middle ages by innumerable legions of warlike pilgrims for the recovery of the Holy Land from the Saracens *, though they depopulated and impoverished the western countries of Europe, were nevertheless productive of some beneficial effects. The few warriors, who survived the fatigues, the diseases, and the slaughter, of the expeditions, returned to their native countries with their minds somewhat expanded by their intercourse with nations more advanced in civilization than themselves ; and they were in some degree cured of the ignorant pride, which makes barbarians esteem themselves the wisest and the best people upon the face of the earth. Together with some improvements in science they acquired a taste for many of the comforts and elegancies of life, which they had never known before, among which the Oriental articles of pretious stones, silk, and especially spicery of all kinds, appear to have been most in request. Some specimens of these and other foreign rarities, which they carried home with them, created a desire of obtaining greater quantities of them among their countrymen, and stimulated their dormant industry to cultivate, or manufacture, some commodity, which they might give

* This name, which properly belonged to a small Arabian tribe near the border of Egypt, was extended to all the Arabian nations ; and

it was afterwards also applied to the Turks, probably because they embraced the new religion of the Arabians.

in exchange for the new objects of desire *. Thus nations, hitherto sunk in listless indolence, or only roused from it, when hunger urged them to the chase, or their chiefs led them to battle, acquired INDUSTRY, the only efficient and legitimate source of all other acquisitions, and of national prosperity.

Most of the writers, who have occasion to mention Alexandria during the Holy wars, which, from their commencement in the year 1095, continued, with some intermissions, till 1291, say nothing of any considerable trade being carried on in it. After the expulsion of the crusaders from Jerusalem in the year 1187, Saint John de Acre, a sea-port of Palestine, became their chief residence, and the principal emporium of the Mediterranean, where the productions of the East and the West were exchanged, the merchants of Venice, Genoa, and some of the other cities of Italy, being the principal conductors of the European branches of the trade. Those merchants also traded to Constantinople, which was the chief mart for the India goods conveyed by the northern land carriage. About the year 1300 Alexandria appears to have recovered its commercial pre-eminence †: and it continued to flourish as long as any land carriage was required in transporting the merchandize of India to Europe.

The revival of science in Europe, and the accounts of the rich Oriental regions, hitherto utterly unknown in the western parts of the world, given by Marco Polo, a Venetian gentleman, who had traveled through many of them in the later

* The beneficial effects of, what some people stigmatize by the name of, luxuries, or superfluities, cannot be better exemplified than by a simple little story, related by Doctor Franklin, which I give in his own words.

‘ The skipper of a shallop, employed between Cape May and Philadelphia, had done us some small service, for which he refused to be paid. My wife, understanding that he had a daughter, sent her a present of a new-fashioned cap. Three years after, this skipper being at my house with an old farmer of Cape May, his passenger, he mentioned the cap, and how much his daughter had been pleased with it. But, said he, it proved a dear cap to our congregation.—How so?—When my daughter appeared with it at meeting, it was so much admired, that all the girls resolved to get such caps from Philadelphia; and my wife and I computed that the whole could not have cost less than a

‘ hundred pounds.—True, said the farmer, but you do not tell all the story. I think, the cap was, nevertheless, an advantage to us; for it was the first thing that put our girls upon knitting worsted mittens for sale at Philadelphia, that they might have wherewithal to buy caps and ribbons there; and you know, that that industry has continued, and is likely to continue, and increase to a much greater value, and to answer better purposes.—Upon the whole, I was more reconciled to this little piece of luxury, since not only the girls were made happier by having fine caps, but the Philadelphians by the supply of warm mittens.” [*Franklin’s Works*, v. ii, p. 425, ed. 1806.]

† Galvano, in his *Chronology of Discoveries*, says, that in the year 1300 the Soldan of Cairo gave orders that the merchandize of India should be carried through the Red Sea, as it used to be before.

part of the thirteenth century, began to excite a spirit of discovery in some parts of Europe. About the middle of the fourteenth century, the navigators of Dieppe, a sea-port of Normandy, explored the west coast of Africa, almost as far as the Equinoctial line, and established factories, from which they imported gold and many other articles of African produce, among which may be particularly mentioned ivory, as it gave birth to a manufacture of utensils and trinkets from that material, by which Dieppe has been distinguished down to the present time*.

In the year 1402, Jean de Bethencourt, also of Dieppe, settled a colony in the Canary islands, the discovery of which is claimed both by the French and the Spaniards.

In the fifteenth century the commerce and power of Genoa declined; and the Venetians enjoyed the unrivaled monopoly of the Indian trade with Egypt, Syria†, and Constantinople, which supplied them, not only with the rich productions and fine manufactures of India, for which the increasing civilization of Europe had greatly increased the demand, but also with many materials requisite for their most valuable manufactures, by which the industry of all the classes of their people was animated and supported. In consequence of the great extension of their trade, the merchants became exceedingly opulent, and lived in a stile of magnificence, which few of the Princes of the uncommercial parts of Europe could then command; the people were all employed, were all easy in their circumstances, and were all happy; and the state was powerful, and respected by all the Sovereigns of Europe.

But neither the Venetians, though they had the advantage of the earliest notice of the discoveries of their countryman, Polo, though their seamen were

* The discoveries and commerce of the Normans on the coast of Africa are denied by some authors. But they are supported by the respectable authority of De Guignes in *Mem. de Littérature*, V. xxxvii, pp. 518-521; the Abbé de la Pluche in *Spectacle de la Nature*, V. iv, p. 429, ed. 1739; besides Savary, the author of the *Dictionnaire de Commerce*, Raynal, and many others: and it must be acknowledged, that there is not the least appearance of improbability in the account given of them. Neither is the negative kind of argument against the veracity of the Norman voyages, from the Portuguese being ignorant of them, if indeed they were ignorant of them, by any means conclusive.

† About the year 1420 the Venetians sent annually to Egypt and Syria 500,000 ducats in money, besides merchandize, part of which consisted of woolen goods received from Florence. In those days England exported some woolen cloth, but much more wool in an unmanufactured state: and though the Venetians imported into England a vast variety of spices and other expensive articles, the balance of the trade was in favour of the English to the amount of 100,000 ducats annually; one fifth of the money they paid for the merchandize of India. [*Speech of Mocenigo, the Duke of Venice, in Sanuto, Vite de Duche di Venezia, apud Muratori Scriptores rerum Italicarum, V. xxii, col. 959.*]

apparently more numerous * and more skilful than those of any of the greater states of Europe, nor any of the other states of Italy, ever made any attempt to enlarge the sphere of nautical and commercial enterprise †. On the contrary, they wished that it might be confined for ever to the condition in which it then was, which, according to the ideas then generally entertained of navigation, rendered a voyage to the eastern extremity of the Mediterranean too arduous an undertaking for the commercial capital, or the nautical knowlege, of the western countries of Europe.

At this time Malacca was the great emporium of commerce in India, for which pre-eminence it was chiefly indebted to its commanding situation on a strait between the extensive peninsula of the same name and the great island of Sumatra, the general thoroughfare of all vessels passing between the eastern and western parts of the Indian Ocean. To that city were carried the cloves, nutmegs, and mace, of the Molucco and Banda islands, the sandal wood of Timor, the camphor of Borneo, the gold and silver of Luçonia, the pepper, drugs, dye-stuffs, perfumes, rich silks, porcelain, and all the vast variety of merchandize produced and manufactured in China, Java, Siam, and the neighbouring countries or islands. There the merchants from all the more eastern countries met with those of Hindoostan and the western coasts of the Indian Ocean; and every one procured what was in request, in exchange for what was redundant, in his own country. The cities of Calicut and Cambay on the west side of Hindoostan, Ormus in the Persian Gulf, and Aden on the south coast of Arabia, were particularly enriched by the trade with Malacca; and they also traded to Pegu for rubies and lacker, to Bengal for cloths, (now called

* Mocenigo, in his speech, says the Venetians have 3,345 vessels, which carry 36,000 seamen; and 16,000 carpenters are constantly employed in the dock yards.

† Though no voyage of discovery was ever attempted from any port of Italy (for I take the Genoese voyage in the Atlantic Ocean in the year 1291, mentioned by Baptista Burgus, to be a fiction of a later age) the superior nautical knowlege of the Italian navigators induced the Princes and adventurers of other countries to prefer them for conducting their voyages of discovery. The two Nolis, who, in the service of Prince Henry of Portugal, discovered the Cape-Verd islands, and Christopher Colon, who discovered America for the Sovereigns of Spain, were natives of the territory of Genoa.

Aloise de Cadamosto, a Venetian navigator, was employed, and much caressed, by Prince Henry, who was desirous of availing himself of the knowlege of spices which the Venetians had acquired in their Oriental trade. Giovanni Gavotta (or John Cabot), who discovered North America in the service of Henry VII, King of England, and some merchants of Bristol, was also a Venetian. Amerigo Vespucci, a navigator in the service of Spain, and afterwards of Portugal, whose name is immortalized by being given to the new-found continent of America, Empoli, another navigator in the service of Portugal, and Verazzani, who conducted the first French voyage of discovery in the western hemisphere, were natives of Florence.

piece

piece goods), to Calicare (or Kilcare) for pearls, to Narsinga for diamonds, to Ceylon for cinnamon and rubies, and to the coast of Malabar for pepper, ginger, and many other kinds of spices. From Ormus the Oriental goods were carried upon the Persian Gulf to Bassora, a city on the Euphrates, which owed its origin and its opulence to this trade: and thence they were forwarded by the navigation of the river, and by caravans, to Armenia, to Trebisond on the Black Sea, and to Aleppo, Damascus, and Baruth (the ancient Berytus), on or near the Mediterranean Sea, where they were mostly purchased by the Venetians, Genoese, and Catalonians. The merchants of Aden, following the example of their ancestors, carried their goods up the Red Sea to Tor or Suez; from the later they were carried in three days to Cairo, where caravans from the interior part of Africa received what they wanted for their own countries. From Cairo the Indian and Arabian merchandize, together with the gold, ivory, &c. of Africa, were wafted upon the Nile to Alexandria. The Sovereigns and people of Egypt, without taking any very active concern in the trade, were enriched by the transit duties, and the commissions and profits they obtained from the merchants of the West, who dispersed the rich productions of the East through every country of Europe*.

Some India goods were carried entirely over land, by the way of Cashgar and Balk, even as far as Russia and the coasts of the Baltic Sea. But they must have been only very pretious articles that could bear such an expense: and the quantities must have been but trifling that could reach those northern and western extremities of Europe.

* This account of the Indian commerce before the arrival of any Europeans in the Indian Ocean, is taken from the Portuguese historian, João de Barros, [*Dec. i, L. 8, c. 1.*] who must have got at least a part of it from information

obtained by his countrymen in India. It is worthy of remark, that the great commercial intercourse at Malacca is also noticed by Marco Polo.

THE COMMERCE OF THE PORTUGUESE WITH INDIA.

HAVING thrown a rapid glance over the antient commercial intercourse between India and the western parts of the world, we now come to an event, which forms a new æra in the commercial history of the world, the discovery of a route to India by sea, which, though actually more circuitous than any of the antient ones, is more compendious in time and expense, and has thereby facilitated and increased the intercourse between Europe and India very far beyond the greatest extent it could ever have reached in the antient mode of conducting the business, and, in conjunction with the other great discovery, of a vast continent, formerly utterly unknown * to the people of the old hemisphere, has given a new spring to the commercial energy of Europe, the effects of which have reached those countries which have never had any immediate intercourse with India or America.

The first instrument, under the direction of Divine Providence, for bringing about this important change, was Henrique (or Henry), a younger son of Pedro, King of Portugal †. This Prince, enlightened beyond the standard of the age in which he lived, was a lover of the sciences; and he particularly delighted in astronomy, geography, navigation, and those branches of the mathematics, which are subservient to them. He invited the most eminent masters of these sciences to instruct a number of young men, who were bred up under his eye; and thereby he rendered the Portuguese, in a few years, the most scientific navigators in Europe. He made it the business of his whole life to prosecute maritime discovery, in the hope of accomplishing a passage by sea to India. With this view he sent a ship in the year 1412 to make discoveries on the west coast of Africa; and he continued, as long as he lived, to send out ships, commanded by the ablest navigators he could find in his own country, or could attract by his liberality from others. Every one of those commanders went a little way beyond his predecessors; and some Portuguese colonies were settled upon the African coast. But Henry, who died in the year 1463, had

* The discovery of the great western continent, about the year 1000, was utterly forgotten long before the fifteenth century.

† The mother of this Prince of discoverers was Philippa, the daughter of John, Duke of Lancaster, a son of Edward III, King of England.

not the satisfaction to see the object, he had so much at heart, accomplished by his navigators, none of whom proceeded farther than the island of St. Matthew, a little beyond the Equinoctial line, and not much beyond the coast, on which the French merchants of Dieppe had long before established their commercial factories.

Henry's plan of discovery was prosecuted by several successive Kings of Portugal. In the year 1486 Diaz passed the southern extremity of Africa, which, on account of the storms he had there encountered, he called Cabo tormentoso (the Stormy Cape); but King João II, when he heard of the discovery, gave it the more auspicious name of Cabo de Bõa Esperança (the Cape of Good Hope), which has ever since been used by all the nations of Europe.

The King, full of hope that the greatest difficulty in finding a passage to India was now surmounted, ordered Pedro de Covillam and Alonzo de Payva to travel to India by land, in order to obtain information respecting the trade and navigation of it. Covillam, being master of the Arabic language, traveled with great address and prudence through the Mohamedan countries, embarked at Aden (the Arabia Felix of antiquity) for India, where he visited Calicut and several other ports on the west side of Hindoostan. Thence he returned to Cairo, and there found Abraham of Beja, a Jew, employed by the King of Portugal on an errand similar to his own. Having sent the Jew back to Portugal with an account of his discoveries, and a map of the countries he had visited, he went, agreeable to new instructions, into Abyssinia, from which he never returned.

At this time all men of eminent nautical abilities considered Portugal as the country in which their talents were likely to obtain the most ample recompence of fame and emolument. Christopher Colon, a Genoese navigator, by studying Aristotle's description of the world, and the geographical tables of Ptolemy, who extends the eastern parts of the continent of Asia so enormously, as to bring it almost round to the western coasts of Europe and Africa, very properly concluded (supposing their descriptions to be correct, and they were then universally received as such) that, instead of a long and tedious voyage round the extremity of Africa, a much shorter passage to India might be made by sailing directly west from Europe. In full confidence of the practicability of his scheme, he offered his service in conducting such a voyage of discovery to the court of Portugal: but there his proposal was treated with contempt *. He next made

* Why the King of Portugal refused to engage in a scheme so favourable to his wishes, and so probable, according to the received system of geography, we are not clearly told.

made the same offer to Fernando and Isabella, the Sovereigns of Spain. After a tedious attendance of eight years, during which he had sent his brother Bartholomeo to make the offer to Henry VII, King of England, Colon obtained a squadron of three small vessels, for the outfit of which Queen Isabella pawned her jewels. On the 3d of August 1492 he sailed from Palos in Andalusia, and on the 11th of October he landed on the island of Guanahani, to which he gave the name of Saint Salvador, now generally called Cat island, one of the Bahamas, and then full of people, whence he proceeded to the larger islands of Cuba and Hispaniola. He had no doubt that he had actually discovered the Indies; and, leaving some of his men in a fort he erected in Hispaniola, he returned to Spain, carrying with him some bits of gold, and samples of cotton and pimento, together with a few of the natives of the island, some parrots and other animals.

The general name, which Colon gave to his new-discovered lands, has still been retained in that of *West Indies*, by which they are distinguished from the real, or *East, Indies*.

The Spanish Sovereigns, elated with the flattering prospects of power and wealth opened to them, lost no time in applying for the Pope's authority to appropriate to themselves the vast regions they intended to take possession of. On the 4th day of May 1493 his Holiness very liberally made them a gift of all countries and islands, discovered or to be discovered, lying west from a meridian drawn at the distance of a hundred leagues from the islands commonly called the Azores and Cape Verd *, except such lands as had been actually possessed by any Christian Prince before Christmas in the year 1492, that they might convert the inhabitants to the Catholic religion: and he strictly prohibited all Emperors, Kings, or other persons, on pain of excommunication, from resorting to those countries for merchandizing or for any other purpose, without licence from the King and Queen of Castile and Aragon.

Perhaps his Holiness was not geographer enough to know, that in his ample charter he had made a donation of almost the whole world to his most dear son and daughter. The King of Portugal, being very uneasy upon the occasion, sent an expostulatory embassy to the Court of Spain, and also prepared a warlike fleet to defend the colonies already settled in Africa, and his right to the navigation of the sea. He made a proposal to the Court of Spain to divide the world

Some say, that he secretly sent a vessel to make the discovery, upon Colon's plan; and that, upon her return without having seen any land, he believed the matter impracticable, and un-

generously dismissed Colon, after keeping him so long in attendance.

* He must have supposed the Azores and Cape Verd on the same meridian.

between

between the two Crowns, by allowing all new-found countries northward from the Canaries to belong to Spain, and all southward from those islands to belong to Portugal. But this scheme of partition not being accepted, it was at last agreed, that the meridian of demarcation should be removed 270 leagues farther west, and that all the countries discovered, or to be discovered, on the east side of that line, should belong to Portugal, and all on the west side of it to Spain, without considering how their pretensions were to be regulated, when their discoveries should extend 180 degrees east or west of the meridian of partition, and interfere on the opposite side of the globe. This treaty afterwards received the sanction of Pope Julius II.

This important business being finished, the Portuguese Monarch resumed the prosecution of the discovery of India by the eastern route. The death of King João II did not materially interrupt the preparations. Manuel, his successor, appointed Vasco da Gama to the command of three ships and a victualer *, carrying 160 men, some of whom could speak Arabic. On the 8th of July 1497 the fleet sailed from the Tagus, and, after being distressed with calms and storms, owing to ignorance of the proper seasons for making the passage, they arrived at some ports on the east coast of Africa occupied by Mohamedans, who, having no good will to them, either as Christians, or as intruders upon the navigation of an Ocean which they had for several centuries considered as their own, made several attempts to destroy them. But the prudence of Gama, who was every way qualified for the important charge committed to him, frustrated all their schemes.

From these hostile shores Gama proceeded northward to Melinda, a handsome city, consisting of houses built with stone in a stile of magnificence. The adjacent country was fertile and delightful ; and the inhabitants were a civilized people, enriched by trade. They were Mohamedans ; but being of a different sect from those whom Gama had previously fallen in with, they were by no means disposed to espouse their quarrel against him. They even lived on friendly terms with the Indian Christians of Saint Thomas, who frequented their port : and Gama was so fortunate as to find four Christian commanders of vessels, arrived from India, from whom he obtained much useful information. The benevolent King

* The ships were, the *Angel Gabriel* of 120 tons, in which the Admiral embarked ; the *Saint Raphael* of 100 tons, commanded by Paulo da Gama, the Admiral's brother ; and the *Pilot*, a carvel of 50 tons. The two first were built at Myna on the coast of Africa for the

King ; the third was purchased. Such was the force destined to effect to important a discovery. A store ship of 200 tons attended the squadron till the provisions were taken out of her, and then she was burnt.

of Melinda also provided him an able pilot, a native of the country near the mouth of the Indus, who faithfully conducted him across the Indian Ocean to Calicut, then the chief city for power and commerce on the west coast of Hindoostan, where he arrived on the 22d day of May in the year 1498.

The Sovereign of Calicut, called the Zamorin, appears to have had a kind of imperial authority over several other Kings on the coast. The greatest part of his income arose from his customs upon the trade of the port : and the Mohamedans of Arabia, called Saracens, or Moors, by the Portuguese, were the principal traders. Those Moors, hitherto the greatest merchants and navigators in the Indian Ocean, were very uneasy at seeing European ships, and people, who were the perpetual enemies of their religion, and were now going to be their rivals in trade, appear in those seas, where no European vessel had ever been seen before. They were indefatigable in their intrigues to prejudice the Zamorin against the new-comers : and they threatened to remove their own trade to some other part of India, if he permitted them to trade at Calicut. The Zamorin, who appears to have been of a weak and unsteady character, was divided between the satisfaction of having the prospect of a great and important new trade brought into his dominions, which might render his own revenue and the trade of his subjects less dependent, than they had hitherto been, upon the Moorish merchants, and the fear of offending and losing those merchants, who, in all their settlements, throughout the whole extent of the Indian Ocean, were united in the same views of interest and policy ; and he was quite at a loss to determine how he should act.

According to the accounts of the Portuguese, Gama was warned by Monzaida, a friendly Moor, a native of Tunis, who understood the Spanish language, that all the Moors in the place had joined in a conspiracy to effect his destruction. Notwithstanding this warning, Gama, not less bold than prudent, determined to accept the Zamorin's invitation to visit him at his country palace, about two miles from Calicut. But, before he left the ships, he gave positive orders to his brother Paulo, and to Coello, the other captain, that, if he should be detained, they should pay no attention to any message that should be sent to them in his name, nor enter into any negotiation ; only, some boats should keep near the shore to favour his escape, if he should find it necessary and practicable. If it should be found impossible for him to return to the ships, they were to abandon him to his fate, and return to Portugal, that the important information of the passage to India being completely accomplished might not be lost to their country.

With

With this heroic resolution, he put himself into the hands of the Zamorin with a retinue of only twelve men, being unwilling to leave the ships weak-handed for the sake of an unavailing and empty parade of attendance. After a most gracious reception by the Monarch, who professed his readiness to enter into an alliance of friendship and commerce with Portugal, he was recommended to the care and hospitality of the Prime Minister, in whose house he spent three days without the smallest progress being made in the business of settling the terms of trade. After that delay, he had a second audience of the Zamorin, as favourable as the first; and that Prince even warned him of the hostile disposition of the Moors.

Gama, having learned by his faithful friend, Monzaida, that the Prime Minister, under whose roof he lodged, had allowed himself to be bribed by the Moors to assist their plots against him, walked down to the shore, in order to get onboard his fleet. But the Moors were not wanting in vigilance: he was immediately pursued and brought back by the Minister: and the Moors proceeded to represent him to the Zamorin as a pirate, banished by his countrymen, who were all faithless robbers. They at the same time repeated their threat, that, if the Portuguese were permitted to trade in his dominions, they would transfer their own commerce to some other part of India.

Gama was now brought as a prisoner into the presence of the Zamorin, who offered, if he was a banished pirate, to receive him into his service and favour, and desired him, as a proof of his sincerity, to deliver the sails and rudders of his ships. Gama undauntedly refused to comply with his demand, and told him that, though his own life was in his hands, his ships were able to defy all the power of his kingdom, and would not fail to return with such a force as would amply revenge any insult put upon the Ambassador of the King of Portugal.

After much altercation, the Zamorin, finding he could extort no compliance from Gama by rigorous treatment, allowed him and five of his attendants to go onboard, retaining the other seven as hostages; whereupon Gama agreed to land the merchandize intended for sale, and to enter into a treaty of commerce and alliance between the King of Portugal and the Zamorin.

He accordingly moved his ships nearer to the city, and landed the goods. He next requested permission to leave a factor at Calicut, who might attend to the Portuguese interest. But this proposal was treated with rage and scorn. The Moors even bent the fickle Prince so far to their will, that he seized Gama's goods, and put the two men, who had the charge of them, in prison. Gama, having in vain solicited redress, seized the first vessel he found entering
into

into the port, in which there were six of the principal men of the country. These, with their nineteen servants, he retained as prisoners, and sent the people belonging to the vessel to give notice of their capture in the city. Soon after, he weighed anchor, and stood out from the port under an easy sail.

The sight of the ships under sail raised such a clamour among the friends of the captive noblemen, as obliged the irresolute Zamorin again to change his plan of conduct. He sent the seven Portuguese hostages on board, and now requested that a factor might come on shore to dispose of the goods. But Gama, thinking such a Prince unworthy of respectful treatment, answered that he would not now send any factor, and insisted on the restoration of his goods, which were accordingly sent off to him.

The Moorish merchants, seeing Gama triumph over all their malice, resolved to pour out their vengeance upon Monzaida, who was obliged to abandon all his property, and with great difficulty escaped onboard the ships. Gama received him with the kindness he had so dearly merited, and carried him to Portugal, where he obtained some compensation for the sacrifice he had made, and became a Christian. Gama, without landing the captives, then made sail in order to leave the coast*.

A calm, which immediately ensued, seemed to present an opportunity of revenge to the Zamorin and the Moors. Sixty merchant vessels, filled with armed men, rowed out to attack him; and his small fleet was soon surrounded by enemies, who appeared resolutely determined to board, notwithstanding the carnage he shot made among them. The Portuguese must have been overpowered by the prodigious superiority of numbers, if the calm had not, most providentially for them, been quickly succeeded by a storm, by which most of the enemy's vessels were destroyed, while the firmer-built Portuguese ships received little or no injury.

Gama, after defeating some other attempts against him, sailed for the coast of Africa, where he made the Moors of Magadoxa suffer for the hostility of their brethren in India. He received refreshments from his friend, the King of Melinda, who sent an Ambassador with him to the King of Portugal, and finally arrived in Lisbon with two ships and only fifty-five men. And thus was completed one of the most important voyages ever undertaken, which, rendering the intercourse between the nations of the East and the West more safe and

* It seems presumable that the goods were restored *on condition* that Gama should liberate the captives. But the Portuguese narrators of the events of this important voyage, though

very full upon the infidelities of the Zamorin, say nothing of this apparent breach of faith in the conduct of Gama.

practicable, has effected a complete revolution in the commerce and policy of the world.

Though Gama's ships brought home no cargo, their return filled Lisbon with transports of joy. The Portuguese now thought the rich commerce of the East, with all its dependent branches, secured to them, and proposed nothing less than to become immediately the first commercial and maritime power in the world. King Manuel, sensible that nothing but superior force could guard his subjects against the malice and opposition of the Moors, prepared a fleet of thirteen ships, with fifteen hundred men, for the next voyage. He gave the command to Pedro Alvarez de Cabral, and instructed him to preserve friendship with the Zamorin, if possible, and to ask his permission to erect a fort for the protection of the Portuguese against the malicious attacks of the Moors: but, if that Prince should act as perfidiously as before, he was to make use of force to bring him to reason. The Ambassador of Melinda, and the captives brought to Portugal by Gama, embarked in the fleet.

Cabral, after being driven by a storm upon the coast of Brazil, of which, notwithstanding the claim put in for Martin of Nuremburg, we must believe he was the first discoverer, and after losing some of his ships by tempests, visited the friendly King of Melinda, and landed his Ambassador. There he took on board two pilots, and proceeded for Calicut, where he arrived with only six ships in August 1500.

The Zamorin sent two of his courtiers and a Guzerat merchant onboard to welcome the Admiral: and Cabral, in return, sent on shore the captives, with one of his officers, who demanded that six principal Bramins, whose names had been furnished by Monzaida, should be sent onboard as hostages, before the Admiral would trust himself on shore. After much delay, during which the good impressions, made upon the Zamorin's mind by the report of the kind treatment the captives had met with at Lisbon, were effaced by the persevering malice of the Moors, a treaty was concluded, by which a house was granted for a factory to the Portuguese supercargoes, who were appointed to manage King Manuel's merchandize; and it was stipulated that their ships should be loaded in twenty days, and in preference to all others.

In the mean time the Moors, who seem never to have found any difficulty in rendering the Zamorin subservient to their designs, persuaded him to ask Cabral to attack a large ship belonging to Ceylon *, which, he said, was coming

* Barros says the ship belonged to Ceylon; others say to Cochin. The difference is immaterial: but Barros, being the oldest author, merits the preference.

to invade him, and also had onboard a valuable war elephant, which the King of Ceylon had refused to sell to him. The Moors flattered themselves, that an engagement with this ship, which was very large and full of soldiers, would very much weaken Cabral's fleet. But they were utterly confounded, when they saw the great ship brought in as a prize by one of the smallest of the Portuguese vessels, which the Admiral had selected for the action on purpose to impress the natives with a high idea of the superiority of European naval warfare. Cabral now found by the prisoners, that the invasion of Calicut, and the story of the elephant, were mere fictions, and that the commander of the great ship had been advised by the Moors to be on his guard against the Portuguese pirates, who designed an attack upon him. The Admiral thereupon took the most effectual method to convince the Ceylon captain, that they had both been imposed upon: he restored the ship to him, and even paid for the damage she had sustained in the combat; and thus he converted a plot formed for his destruction into an opportunity of displaying his power and generosity*.

Instead of the stipulated twenty days, three months elapsed without the Portuguese ships obtaining any cargo. During that time the Moors had bought up the goods at advanced prices, and dispatched several of their ships. The Zamorin, upon Cabral's complaint of the breach of agreement, laid the blame wholly upon the Moors, and authorized him to load his own ships out of their vessels, upon paying them what the commodities had cost. The Admiral was unwilling to proceed to such an act of violence; but, being urged by Correa, the chief of the factory, who made a formal protest that the neglect of the King's business should be imputed solely to the Admiral, he seized a vessel belonging to a rich Moor, when she was going out of the harbour. The Moors immediately proceeded to open hostilities. A mob of several thousand people made a furious attack upon the Portuguese, in which Correa, the adviser of the seizure, and about fifty men, were sacrificed to their fury. Cabral expected the Zamorin would make some excuse, or attonement, for this violation of the peace: but, finding none offered, he next day attacked ten of the largest Moorish ships, slew (it is said) six hundred of their men, and made the rest slaves onboard his own ships. Having taken out the merchandize, he set them

* Such is sometimes the generosity of conquerors. But it would have been more generous, as well as more just, to refuse to attack the people who had never injured him. On a similar occasion, when Captain Downton, in

the service of the English East-India Company, was asked by the Mogul General to assist him against the Portuguese, he refused to attack the ships of a nation, with whom his own nation was not at war.

on fire in the night, and next morning began a bombardment of the town in revenge for the slaughter of his people. Thus was the Portuguese trade with India begun in violence and bloodshed.

Cabral, having satisfied his revenge, sailed for Cochin, where the fame of his generosity in restoring the ship procured him the most friendly reception. Commercial arrangements were immediately settled to his satisfaction; and a house was appointed for a factory. The Kings of Cananore, Coulan, and some other places, sent Ambassadors to Cabral, inviting him to their ports; but he chose to fix his staple at Cochin.

The Zamorin, eager to be revenged upon Cabral, sent a large fleet, carrying 1500 men, to attack him at Cochin: but his commanders, seeing the Portuguese prepared to give them battle, thought it best to retreat. Cabral, leaving two factors to attend to the King's merchandize at Cochin, sailed to Cananore, where he completed his loading. There also he left factors; and receiving onboard an Ambassador, sent from the King of Cranganore to the King of Portugal, he sailed on the 31st of July 1501, with full cargoes of spices and other goods.

Before Cabral arrived in Portugal, King Manuel had sent out three vessels to India: but, sensible from the information he now received, that so small a fleet could perform nothing effectual, he fitted out twenty more in the year 1502, and appointed the great Vasco da Gama to the command of them. He also obtained the Pope's bull, or grant, which conferred upon him the title of 'Lord of the navigation, conquests, and trade, of Ethiopia, Arabia, Persia, and India;' a title still retained by his successors.

The views of the court of Portugal seem to have been now less directed to commerce than to the establishment of a domineering supremacy in all the countries and seas of Africa and Asia; an undertaking equally unjust, and impossible to be accomplished by the scanty population of so small a kingdom. Corresponding with such views was the conduct of Gama, who, after he passed the Cape of Good Hope, ranged along the African shore, and compelled the Mohamedan Princes to acknowledge themselves tributaries to Portugal. He also attacked all the vessels he met with, belonging to the Moors of Mecca*. When he came near the Malabar coast, he took thirty persons out of some

* The Moors, or Mohamedans, living in all the countries bordering on the Indian ocean, were divided, at least by the Portuguese, into two classes or sects. Those who so violently opposed them at Calicut, those of Quiloa, Mo-

zambic, and Mombaza, on the African coast, were of the communion of the Moors of Mecca. The King of Melinda was of the opposite sect, and perhaps for that reason friendly to the Portuguese.

vessels belonging to Calicut, intending to use them as instruments for enforcing the Zamorin's compliance with his demand for the restoration of the merchandize plundered in the insurrection wherein Correa and his men lost their lives. He actually proceeded to hang those innocent prisoners, and sent their dead bodies on shore with a declaration of war, which he followed up by bombarding the city for some time previous to his departure.

On his arrival at Cochin, he found the factors left there by Cabral highly pleased with the conduct of the King of that place, who steadily resisted all the endeavours of the Zamorin to detach him from the Portuguese interest. At Cochin and Cananore he loaded twelve of his ships with rich cargoes, with which, after defeating two fleets sent against him from Calicut, he returned to Portugal.

Gama left six ships under the command of Vincente Sodre, with express orders to protect Cochin against the Zamorin. But Sodre, regardless of his orders and the remonstrances of the King's factors at Cochin and Cananore, sailed away for the Red Sea, with an intention to plunder the rich ships trading to Mecca, and left the most faithful ally of Portugal to be destroyed by an irritated enemy, whose power he was utterly unable to withstand. Fortunately for the interest of Cochin and Portugal, Sodre was drowned in a tempest: and the officer, who succeeded to the command, immediately resolved to return to the station appointed by Gama. Before he reached the Indian coast, he fell in with a Portuguese fleet commanded by Francisco Albuquerque, with whom he immediately proceeded for Cochin, the King of which was closely besieged in a small island, or rock, the only territory then remaining to him. The sight of the Portuguese fleet put the Zamorin's army to flight, and reinstated the King of Cochin in his dominions, without a battle; and Albuquerque, by a donation of ten thousand ducats to the unfortunate Prince, exalted the fame of the generosity of the Portuguese as high as that of their irresistible power*.

Albuquerque, after having sufficiently humbled the Zamorin, granted him peace on his promising not to molest the King of Cochin, and to restore, or make compensation for, the merchandize belonging to the King of Portugal, which had been plundered by the Moors and others in the tumult, wherein Correa was killed. Then, putting one hundred and fifty men, with one ship and three barges, under the command of Duarte Pacheco, whom he charged

* It has been remarked, that Albuquerque, with the judicious disposal of this small sum, purchased the Indies for the crown of Portugal.

to protect the allies of Portugal, he sailed for Europe. But neither he nor his ships were ever heard of, after they left the coast of India.

Pacheco, with astonishing valour and success, scarcely inferior to the fabulous achievements of the knights of romance, repelled no less than seven invasions of Cochin by the numerous armies of the Zamorin; who at last, despairing of ever attaining the gratification of his resentment, gave up the sovereignty, and became a kind of monk or hermit. The repeated defeats suffered by the Zamorin had now delivered all the neighbouring Princes from the vassalage, under which they had hitherto been held by him, and also transferred the commerce, which had enriched him and his subjects, to their ports.

The succeeding Portuguese commanders continued to act, as if they believed (perhaps they did believe) that the Pope's bull gave them an undoubted right to plunder and tyrannize over all Princes and nations, who were not Christians. The cities of Quiloa * and Mombaza on the African coast were destroyed, and the countries made tributary to Portugal. Portuguese forts were built on the coasts of Africa and India: and when the King of Cochin, like the Zamorin, exchanged the cares of sovereignty for the tranquillity, or slumber, of a life of religious retirement, the Portuguese commander, in imitation of the Consuls of antient Rome, invested the new King with the insignia of royalty, and made him profess himself a vassal of Portugal.

The compulsive trade, which the Portuguese carried on by the terror of their cannon, was the entire and sole property of the King †. Notwithstanding the heavy

* A black cat determined the fate of Quiloa. The King had promised to attend Almeyda, the Portuguese Viceroy, but was deterred from his purpose by meeting this ill-omened animal upon the way. Nothing less than the destruction of the city, and the deposition of the King, could expiate the crime of disappointing the Viceroy, who immediately created a new King, whom he obliged to promise tribute to the King of Portugal.

† Doctor Smith, the author of *'An Inquiry into the nature and causes of the wealth of nations,'* and some other respectable modern writers, appear not to have known that the King of Portugal monopolized the East India trade into his own hands. But, though the early historians of the Portuguese transactions in India, agreeable to the prevailing spirit of

their age, passed very slightly over commercial affairs, which they thought less dignified subjects than slaughter and pillage, there are not wanting sufficient proofs to establish the fact.

Castaneda, who went to India on purpose to collect materials for his work, says [*L. v, c. 80*] that the Chinese took four vessels loaded with pepper, sandal wood, and other merchandize, belonging to the King of Portugal.

Osorius (perhaps the most accessible author, as he wrote in Latin) expressly mentions the King's commerce, the King's merchandize, and the King's factors, in *pp. 73, 75, 81, 91, 111, 247, &c. &c.*

Duarte de Meneses, Viceroy of India, wrote an account of the laws, revenues, expenses, &c. of the Portuguese dominions in India, which is abridged by Purchas in his *Pilgrimes*,
L. ix,

heavy expense of arming and manning all the ships in a warlike manner, the frequent losses of ships, and the mismanagement and frauds to which the royal monopoly was undoubtedly exposed, so prodigiously great was the saving in freight by the new conveyance, that the trade of Venice was almost annihilated, as soon as it became generally known in Europe, that the spices * and other rich productions and manufactures of India could be had much cheaper in Lisbon; and that city immediately became the resort of traders from every part of Europe. The merchants of Lisbon, incited by the spirit of commerce which now enlivened their city, carried their Indian commodities to Antwerp, then the great entrepot between the north and south parts of Europe, where they met with the traders of all the northern kingdoms, who, glad to see those costly articles brought so much nearer to them, and sold so much cheaper than formerly, bought more largely of them than they ever had done before, and carried them home to their own countries, where the greater abundance and lower prices of them enlarged the demand prodigiously. By these means Lisbon became, what Venice had been, the richest commercial city in Europe.

The diminution of their sales, and the reduction or annihilation of their profits, were not all the evils the Venetians suffered from the commerce of the Portuguese. The predominating power of that nation in the East now rendered the supply of Indian merchandize by the antient channel of conveyance

L. ix, where in *pp.* 1526, 1527, may be seen the pay of the officers of the King's ships, and of the overseers and factors of his goods.

Linschoten, a Dutchman, who sailed to India in the year 1583 in a Portuguese ship, also gives an account of the pay and privilege of the officers and men on board the King's ships, and observes that the purser was appointed by the King's secretary, and the officers of the ship by the Admiralty: he also informs us that the cargo was stowed by the King's people, who were not under the controul of the captain of the ship, and every article brought onboard was registered in the King's books. After Portugal fell under the dominion of Spain, some merchants purchased a farm of the monopoly of pepper from the King, so as not to exceed five ship-loads annually, whatever pepper might remain after loading them being sent to Lisbon in other ships for account of the King. The illustrious merchants, the Fuggers

and the Velsares of Augsburg also purchased permission from the King to have some pepper brought from India for their account, under the management of their own factors, to whom the King assigned cabins and provisions in his ships. See *pp.* 4, 150, 160, 162, 459, of *English Translation of Linschoten's Voyages*.

The only hint of the Royal monopoly of the East-India trade, given by Raynal, is in *V. i*, *p.* 189. 'Le sucre, le tabac en poudre, le poivre, le salpêtre, les perles, le bois de sandal et d'aigle, que la Couronne continue à acheter et à vendre exclusivement.'

No account is anywhere to be found of voyages from Portugal to India for account of individual merchants, as there are of English and French private traders.

* In those days spices were much more in demand than they are now, and constituted the principal part of the imports from India.

through

through Egypt exceedingly precarious, and enormously expensive. The Venetians, stung with resentment, and disregarding ecclesiastical censures, entered into an alliance with the Sultan of Egypt, who not only felt his interest affected by the new turn the Indian trade had taken, but also saw with grief and anger the brethren of his religion deprived of the commerce and empire of the Oriental seas, which they had enjoyed without interruption during many centuries. He sent Maurus, a Christian monk, as his messenger to the Pope and the King of Portugal, and required them, in the imperious stile of an Eastern despot, to order all Christians to abstain from navigating the Indian Ocean, and interfering in the trade with India, which belonged by antient and undoubted right to him and the other disciples of Mohamed. He threatened, if they would not comply with his desire, to put to death all the Christians in Egypt and Syria, and to demolish all the churches in those countries, and the Holy Sepulchre itself.

These dreadful threats made no impression upon King Manuel; and the Sultan prepared for war. But he possessed no fleet; and Egypt produced no timber. Whether he was ignorant of the excellent quality of the cedars of Libanus in his Syrian dominions, does not appear. But his Venetian friends, in order to remove all difficulties, supplied him with timber from their forests in Dalmatia, and carried it and other necessary stores for him to Alexandria, whence they were floated up the Nile to Cairo, and thence carried by camels to Suez on the Red Sea. There a fleet was built by Venetian carpenters, and strongly manned with choice Turkish soldiers. But this armament, far more formidable than any ever yet encountered by the Portuguese upon the Indian Ocean, was, after several obstinate engagements, finally defeated by the superior conduct and bravery of Almeyda in the year 1508.

In the year 1506 Alfonso Albuquerque and Tristan de Cugna sailed for India, where they extended the Portuguese empire by a rapid series of victories. The King of Ormus was invited by Albuquerque to put himself under the powerful protection of the King of Portugal: and, after his army, said to consist of *thirty three thousand men*, was defeated by the Portuguese army, said to be only *four hundred and sixty men*, he was obliged to bend to the yoke. A Portuguese fort and custom-house were erected: and the duties upon trade were judiciously lowered.

Albuquerque also compelled the new Zamorin to accept such terms of peace, as he thought proper to prescribe, in consequence of which Calicut was commanded by a Portuguese fort. He made himself master of the island of Goa, on which he erected a strong fortification. He next attacked and subdued Malacca,

Malacca, the key of the navigation, and the grand central depot of the commerce of the Eastern world.

Albuquerque, intent upon establishing the dominion of his Sovereign in India, and augmenting the territorial revenue flowing from it, considered commerce as only an inferior object. Aware of the great uncertainty of receiving supplies of naval and military stores from Lisbon, he endeavoured to make India supply its own wants from its own resources. With this view he established Portuguese forts, custom-houses, and courts of law, at convenient distances on every part of the coast, and extorted tribute from almost all the native Princes of the maritime countries. Having chosen Goa for the capital of the Portuguese empire in Asia, he thence issued his orders to all the subordinate governments: there he coined money for the circulation of the Portuguese dominions: and there he fixed many of his followers, whom he persuaded to marry the women of the country. By his fostering care of this colony, it soon became great and populous, and was able to supply recruits for the army, and ships for the navy, of Portugal.

Though Albuquerque, in the prevailing spirit of the age, esteemed commerce less worthy of his attention than conquest, he did not neglect it: and he had the judgement (not to be expected in a warrior born in the fifteenth century) to perceive that light duties produce more revenue than heavy ones. He therefore lowered the duties upon trade, which immediately increased so much as to double the revenue.

He observed the commercial superiority of Malacca, situated upon a strait about mid-way between the two extremities of Oriental navigation; and he determined to make it the secondary capital of the Portuguese dominions in India. There also he established a mint, courts of law, and other appendages of a great commercial city. He sent embassies to the neighbouring Princes, announcing a reduction of the duties on trade at Malacca, and inviting a commercial intercourse. His offers were accepted, and the harbour of Malacca was again filled with vessels from China, and every other country and island of the Oriental Ocean. He also established a settlement in Ceylon, and sent out proper officers, who prosecuted discoveries among the remote Spice islands, and other islands of the farthest East.

Albuquerque endeavoured to conciliate the good will of the natives, and to live in friendship with all the Indian Princes, most of whom were better pleased to have the Portuguese, *as governed by him*, for their neighbours than the Moors, whom he had expelled or subdued. The city of Aden in Arabia was the only place which he could neither gain by fair means nor subdue by force.

Twice

Twice he attacked it, and each time was obliged to retire for want of military stores. But, whenever any of the Moorish Princes endeavoured to recover what they had lost, they were constantly defeated, though their armies were much more numerous than his.

It may be observed, that the Moors, or Saracens, whose rapid torrent of victories astonished and terrified the world in the seventh century, had long ago lost that superiority of valour, which, combined with the ardour of their enthusiasm, rendered them invincible. Their military and naval force enabled them, however, still to domineer over the feeble natives of Hindoostan: but as soon as the Portuguese appeared in the Eastern Seas, they were found as much inferior to them as they were superior to the Hindoos, who rejoiced to see their oppressors humbled *. It was during the firm and vigorous administration of Albuquerque, and only then, that the Portuguese might with justice use the proud language of their historian, Faria y Sousa, who says, ‘ The trophies of our victories are not bruised helmets and warlike engines, hung on the trees of the mountains; but cities, islands, and kingdoms, first humbled under our feet, and then joyfully worshipping our government.’ But, though this lofty eulogium seems to infer that the Portuguese treated the prostrate nations with humanity, it cannot be denied, that they very soon made the most arbitrary and tyrannical use of their superiority. Neither the Moors nor Hindoos were permitted to navigate the Ocean without purchasing a Portuguese passport; and they were prohibited from carrying steel, iron, lead, tobacco, ginger, and cinnamon of Ceylon †. Nor was the passport always an effectual protection against the rapine of a Portuguese cruiser, who could easily find a pretence to elude it, or made no scruple to violate it without giving himself the trouble of inventing a pretence.

Albuquerque, one of the greatest men who ever governed the Portuguese dominions in Asia, died on his return from Ormus at the entrance of the harbour of Goa in the year 1515. In such veneration was he held by the Hindoos, and even by the Moors, in Goa, that it was usual with them to repair to his tomb, and, as if in presence of his shade, utter their complaints, and call upon God to deliver them from the tyranny of his successors.

* The vast superiority of the Portuguese naval warfare was eminently displayed, when Gama set at defiance the whole united naval forces of the Moors and Hindoos with the guns onboard three small vessels, measuring alto-

gether only 270 tons, not the burthen of one modern sloop of war.

† For a copy of one of these passports in the year 1611, see *Purchas's Pilgrims*, L. iv, c. 10, § 2.

The cruelties of Soarez, Sequeyra, and Menezes, the succeeding Governors, drove the natives to desperation, and encouraged the Princes, who had been deprived of Goa and Malacca, to attempt the recovery of them : but their undisciplined numerous armies were not able to stand against the soldiers of Portugal.

Though the King of Portugal at first proposed to engross the whole trade of India to himself, yet most of the people in the ships, some with licences, and more without them, interfered very much with the royal monopoly, the profits of which soon fell to a level with, and sometimes below, the expense of conducting a military commerce. The trade from port to port in India, though it also nominally belonged to the King, was chiefly in the hands of private adventurers ; and it was so lucrative, that the army and other departments of government service were deserted for it. But these free traders seldom scrupled to defraud those who traded with them, if they felt themselves strong enough to do it with impunity, and frequently they procured their cargoes entirely by plunder. By such acts of piracy they brought disgrace upon their country, and became a principal cause of the downfall of the Portuguese empire in India.

In Europe the Venetians, though their India trade must now have been rather unprofitable, were still struggling to preserve it, in hopes of a favourable revolution in the affairs of the East. They sent their ships to the great mart of Antwerp with the spices and pretious drugs of India, along with other valuable merchandize provided by their own manufacturers and merchants. But they could not long compete with the merchants of Lisbon, who, though they purchased from the warehouses of a royal monopolist, had such an advantage in the easier carriage from India to Lisbon, and from Lisbon to Antwerp, that the Venetians were obliged to desist from the competition. As a last attempt, they made a proposal in the year 1521 to the King of Portugal to buy all the spice he should import, beyond the quantity required for the consumption of his own subjects, at a stipulated price. But the offer was rejected without hesitation ; and, indeed, they could scarcely expect it to be accepted.

In the year 1517 Fernando Pedro de Andrade was sent with a fleet of eight ships to Canton, having onboard Thome Perez, who was commissioned by King Manuel as his Ambassador to the Court of China. From Canton Perez was conveyed to Pekin, where he obtained from the Emperor a permission to trade at Canton. Sequeyra, the Governor of India, afterwards sent Simon de Andrade (brother of Fernando) to China with five ships. Simon, a monster capable of every enormity, immediately after his arrival fortified a little island near Canton, and began to treat the Chinese as animals of an inferior species.

If

If he had suffered the punishment due to his crimes, none would have needed to lament his fate. But unfortunately he escaped, by favour of a tempest and the superiority of European shipping, from the Chinese, who attacked him with a large fleet; and their vengeance fell upon the Ambassador and his retinue, who were executed as spies, and upon Alonzo de Melo, who, arriving afterwards in Canton with four ships, was seized and massacred, together with every person onboard his ships. Such was the dreadful revenge the Chinese took for the crimes of one wicked commander; and so the innocent suffer when the wicked are exalted to power. Some years after, the Chinese so far relented as to allow the Portuguese to trade, not at Canton, but at a small island, called Sancian, near the entrance of the Gulf of Canton, where they received Chinese merchandize in exchange for spicery, gold, ivory, and pretious stones.

After they had carried on their trade some time at their post on Sancian, the weakness of the Chinese navy* afforded them an opportunity of obtaining a better settlement. A pirate had taken possession of Macao, an island situated in the Gulf of Canton. His fleets, superior to those of the Emperor, destroyed the trade, and blocked up the ports of the empire. Canton itself was besieged by him: and the Chinese, reduced to the greatest distress, were obliged to implore the assistance of the Portuguese, who with a few vessels defeated the tremendous pirate. The Emperor, in gratitude for this important service, gave them the possession of a small peninsula at the south end of the island of Macao. There the Portuguese built a town, established a Governor, a Bishop, a Judge, and other officers, and during their prosperity carried on a flourishing trade with China, Japan, Tonquin, Cochin-China, and all the countries and islands of the East.

In the year 1524 Vasco da Gama arrived, for the third time, in India, having been selected by King João III, as the most capable person to remedy the disorders of India. He found the Portuguese trade much harassed by the Moors, whose vessels, being driven out of trade by the Portuguese, were now employed in cruising against them, and were therefor called pirates. The preparations, made by Gama for suppressing the Moors, were interrupted by the death of that commander in three months after his arrival.

Henry de Menezes followed the footsteps of Gama during his short government of thirteen months. After his death there ensued a period of civil war between various pretenders to the government, till Nunio de Cunha arrived

* Every body knows that Commodore Anson, the power of the Chinese government in Cantou
with a single weather-beaten sixty-gun ship, set at defiance.

with a regular commission. This enlightened Viceroy prohibited the priests from persecuting the Hindoos for not being Catholics; and he administered justice impartially to all persons, whether Portuguese, Hindoos, or Moors. Under his government industry was protected and rewarded, innocence was safe, and guilt was punished. Neither was he wanting in attention to military duties. He sent a fleet to block up the narrow entrance of the Red Sea, which confined the Moorish ships as in a prison. His lieutenants supported the Portuguese military honour upon every coast of India. He re-established the settlement of the Moluccos. He acquired Diu, a strong post, upon which the Portuguese had cast a longing eye, ever since they first knew the advantages of its situation, from Badur, King of Guzerat, whom he assisted against the Great Mogul. He acquired a country adjacent to Goa, called (but, I apprehend, rather improperly) the kingdom of Deccan, at the request, as we are told, of the inhabitants. This transaction was followed by a multitude of sanguinary wars, in which many of the Princes of the continent were engaged, and many hundred thousands of the natives were massacred. The ungrateful Badur, who was the chief instigator of those convulsions, after treacherously murdering Souza, the Governor of Diu, was killed by a Portuguese soldier: and his death put an end to the war, so far as the Portuguese were concerned, except the petty hostilities against the Moorish shipping. But dreadful wars still raged between the Mogul and the Princes of Hindoostan, while the Portuguese and their allies enjoyed tranquillity and prosperity, the envy of all their neighbours. So much does the happiness or misery of a country depend on the virtues and talents, or the vices and follies, of one man placed at the head of it.

A very formidable, though not very numerous, force was now prepared, for the express purpose of extirpating the Portuguese from India. Selim, the Turkish Emperor, had annexed Egypt and many other countries to his dominions. He did not patiently endure the ruin of the revenues of Egypt by the Portuguese commerce: and his desire of recovering the Indian trade to that country was stimulated by some presents of the rich commodities of India, sent to him by Badur. By command of Selim, seventy stout ships, armed with cannon and all kind of military stores, carrying 7,000 janisaries, and manned by seamen collected from various nations, sailed from Suez under the command of Solyman, the Pacha of Egypt. The Portuguese fort of Diu, destined to be the first object of their hostility, was defended by the garrison with the most resolute valour; and was delivered by a dissension among the enemy. By the artifice of an affronted ally, Solyman was made to believe that the Portuguese fleet was approaching with a reinforcement, whereupon he bravely put to sea with the remainder of his

his army, and made the best of his way for the Red Sea: but, not daring to abide the rage of his disappointed Sovereign, he put an end to his own life in Arabia. Such was the termination of an expedition, which, under an able commander, might have extinguished the Portuguese empire in India.

Nunio's virtuous and prosperous government of ten years was terminated by an order to return to Portugal, where a prison was intended by the King for his reward. But his death during the passage defeated the malice of his enemies.

Noronha, the succeeding Governor, enjoyed peace in consequence of the respect entertained by the Princes of the country for the virtues of Nunio. He was succeeded by Stephen da Gama, the son of the discoverer of India, who fitted out a fleet at his own expense, wherewith he sailed to the Red Sea in the year 1541, in order to attack the Moors of Mecca, the most formidable maritime enemies of Portugal. But, as if the Court of Lisbon had determined never to allow an able or worthy Governor to accomplish what he had undertaken, his expedition was interrupted by the appointment of a successor.

It was in the year 1542, during the short term of Gama's administration, that a Portuguese vessel, driven out of her course by a storm, discovered the coast of Japan. The strangers were hospitably received; and refreshments and stores necessary for their repairs were furnished to them. On their return to Goa they informed the Viceroy, that a rich and populous country presented a noble field for the zeal of the missionary and the industry of the merchant. Both missionaries and merchants availed themselves of the information. The former made many thousands of proselytes, who all fell martyrs to the jealousy of the usurper Taycosoma. The latter exchanged some of the produce and manufactures of Europe, and a great quantity of those of India, for the gold, the silver, and the copper, of Japan, and made very profitable voyages.

Martin Alonzo de Souza, the successor of Gama, a gloomy fanatic, persecuted and murdered the Hindoos for not being Catholics. He oppressed the merchants; and he quarreled with the army, who became licentious and mutinous.

João de Castro, a Governor of more talents and virtue, arrived, when the Portuguese were at war with some of the Moorish Princes of Hindoostan, whose combined army was strengthened by 1000 janisaries and 7000 other soldiers, sent to their assistance by the Turkish Emperor. The confederates made a fresh attack upon Diu, which was defended with an obstinacy of valour, equal to that displayed by the Portuguese in the preceding siege. In the ninth month of the siege Castro arrived with a reinforcement. He made a sally from the fort, and drove the besiegers from their works. He then carried the war into the dominions
of

of his enemies, and obliged them to sue for peace. ‘ In order to prevent the ruin of the state, he prohibited the soldiers from becoming merchants.’

Castro was cut off by death in the midst of his successful career *. The next Governor enjoyed the peace he had procured : but it did not last long. The continual piracies and cruelties exercised by the numerous Portuguese navigators, who infested every creek of the coast in the double capacity of pirates and merchants, acting in either character according to circumstances, rendered it impossible for the natives to be at rest : and a perpetual petty, but sanguinary, war was the consequence.

The Turkish Emperor did not desist from his endeavours to expell the Portuguese from India. But he was far from the scene of action ; and he was ill served by the Generals he employed. A fleet from Suez with 16,000 men, commanded by Pirbec, a famous pirate, plundered Mascate and Ormus, but did nothing effectual. Pirbec, however, hoped to purchase the favour of his master by a large present selected from the booty : but, instead of approbation of his services, the Sultan gave orders to strike off his head. Two other fleets were successively sent against the Portuguese : but these also did nothing effectual. So very much superior were the Portuguese to the Moorish seamen in those days.

It would be tedious and disagreeable to relate, or to read accounts of, the innumerable wars, in which the rapacity, the bigotry, and the lascivious tyranny, of the Portuguese involved themselves and all the nations of India. The general resentment at last produced an association of the Princes of almost every part of India and the islands against the cruel invaders of their dearest rights and their properties. The King of the little island of Ternate, one of the Moluccos, in revenge for the death of his father, murdered by a Portuguese Governor, procured this most formidable confederacy of Moors and Hindoos against the common enemy ; and even the Indian Christians of St. Thomas were provoked by the persecutions of the Portuguese priests, who had lately got a tribunal of the inquisition established at Goa, to ally themselves with the enemies of the intolerant Catholics. Five years were spent in bringing their plans to maturity ; and it was agreed that all the confederates should begin their attacks, according to the preconcerted plan, at the same instant. They actually did begin the war in every quarter with great energy, and (if we may credit the Portuguese writers)

* Castro wrote observations made by him during a voyage in the Red Sea in the year 1541, which may be found in *Purchas's Pilgrimes*, L.vii, c. 6. He is said to have first brought orange

trees to Europe, which he planted on his lands of Cintra, whence they have spread over the south parts of Europe and other countries.

with armies most prodigiously numerous. But they only furnished an additional proof of the inefficiency of a confederacy, composed of nations differing in religion, language, manners, and interests.

Though the confederates were far from accomplishing the extirpation, or complete expulsion, of the Portuguese, they very much abridged their power and influence in India. The King of Ternate expelled them from all the Molucco islands. Malacca was invested by a powerful army, led first by the King of Acheen, and afterwards by a female warrior, the Queen of Japara. The settlements in Ceylon were already almost lost in consequence of an insult offered to the religion of the natives. The Moors, and even the Hindoos, were now more expert than formerly in maritime affairs and naval warfare. They had procured artificers, who made artillery for them, and instructed them in the management of them. Their squadrons covered every part of the coast: and it was now not unusual to see Portuguese ships defeated and taken by the country cruisers.

In this declining state of the Portuguese empire in India, the ministers of the infant King, Sebastian, thought proper (perhaps in imitation of the Roman Emperors in the decline of their power) to divide the government into three parts. The Portuguese territories, from the entrance of the Red Sea eastward to the coast of Pegu, were subjected to the *Viceroy of India*: the east coast of Africa was put under the charge of a *Governor*: and another *Governor* had the care of all the posts and territories from Pegu to China. The unity of councils and action, essentially necessary in territories so far removed from the seat of supreme government, was thus rendered impossible.

The reign of Sebastian was terminated in the year 1578 by a rash expedition against the Emperor of Marocco *: and Philip II, King of Spain, in about two years

* So complete was the slaughter of the Portuguese army in this ill-concerted crusade, that not above fifty of them were left alive. Sebastian disappeared, and was generally believed to be among the slain. But, though a dead body, *covered and quite disfigured with wounds*, said to be the King's, was sent to Portugal, there seems no reason to doubt, that he was the very person, who in the year 1598 appeared in Venice, was afterwards made a galley slave by order of Philip, King of Spain, the usurper of his throne, and at last murdered by torture on a small island near Palermo in Sicily. Notwithstanding the absence of twenty years, dur-

ing which he traveled to the Holy land in performance of a vow, his features were recognized by the Portuguese then in Venice. But there were much more indubitable proofs of his identity: one of his arms was longer than the other, a mark utterly impossible to be counterfeited; and he mentioned to the persons, who had been Ambassadors to him from Venice and Spain, circumstances which could only be known to himself and them. The ridiculous pretence, that he acquired these secrets, the inequality of his arms, and the features of King Sebastian, by preternatural arts, must be in reality considered as a confession of Philip's conviction.

that

years after the disappearance of Sebastian, took possession of the kingdom of Portugal, to which he laid claim in right of his mother Isabella, the daughter of King Manuel. We shall soon see that this union of the kingdoms accelerated the ruin of the Portuguese commerce and power in India.

Soon after Philip became master of Portugal, he observed that the revenue, arising from the dominion and commerce of India, was annihilated by the frauds of the numerous agents employed. It appeared also, that the value of the goods shipped in India onboard the King's ships amounted only to about a million of crowns annually in Lisbon; a sum insufficient to defray the expenses required to support the government of the Indian settlements. Being therefor unwilling to continue a losing trade, he made over the exclusive privilege of trading to India in the year 1587 to a Company of Portuguese merchants, in consideration of a certain sum to be paid to him annually. He retained the sovereignty of the territories in India, the appointment of Viceroy and Governors, the command of the army, &c. so that he parted with no branch of his territorial revenue or power, while he expected to secure to himself a revenue from the commerce, instead of a loss which had hitherto attended it.

The establishment of the Portuguese East-India Company excited the strongest discontent and resentment at Goa. If the privileges granted to the Company were to be fully carried into effect, the trade of the private adventurers must be cut down to their legitimate profits, which were despised, when compared with those they actually made. All persons in the service of Government, from the Viceroy down to the private soldier, were illicit traders, and occasionally pirates. The commanders of the vessels, sent to collect the King's revenues, traded for themselves, and also carried goods on freight for others, and by the later branch of their profits, sometimes cleared 100,000 crowns in one voyage from Goa to China and Japan *. The profits made by the Viceroy and other officers of high rank were great in proportion to their power; for all idea of regulation had been for some time given up; and men of broken fortunes solicited appointments in India for the avowed purpose of re-establishing their affairs. Armed vessels were also fitted out to cruise against the Moors and

that the person, whom he persecuted and murdered, was really his own cousin, and the rightful Sovereign of the kingdom he had taken possession of. A good account of this very extraordinary, and most infamous, affair, though taken from Parrino, a servile Spanish writer, may be found in *Swinburne's Travels in the Two Sicilies*, V. i. p. 328.

* The ships which went to China were of very great burthen. Linschoten mentions one of them of 1600 tuns [*Voyages*, p. 160 of *Engl. translation*]; and in the year 1604 the Dutch took a Portuguese carrack of 1400 tuns on her passage from Macao, with 700 men and 100 women on board. [*Purchas*, L. v. s. 15.]

others,

others, whom they called pirates, the commanders of which availed themselves of their commissions, and their arms, to plunder all who were too weak to resist them ; and sometimes, deserting from the service of their King, they entered into the service of the Indian Princes, or set themselves up for independent Princes.

To add to the general distress, there arrived in the year 1594 an order from the Pope and the Catholic King to convert the infidels by force. Such an order was in fact a commission to murder and plunder ; and the pagodas, or temples, hitherto the sacred and inviolable depositories of the wealth of India, which even the ferocious bigotry of the Mohamedans had respected, were despoiled of the accumulated riches of a long succession of ages. The natives with horror beheld their most sacred rites trampled upon ; and their minds were filled with the most rooted detestation of the perpetrators of atrocities, daily committed against their property, their lives, and their religion. In every part of India the oppressed people wished for a change, to effect which, though they wanted courage and talents to accomplish it for themselves, they would gladly co-operate with any Power, who should offer to relieve them from the intolerable yoke of the Portuguese. The conduct of King Philip in Europe was now bringing forward the wished-for relief.

That bigoted Prince was determined that his subjects in all parts of his vast dominions should regulate their religious faith by his standard. His subjects in several parts of the Netherlands, thinking their religion a matter which concerned only themselves, chose to be Protestants. Such presumption in subjects was not to be endured : King Philip sent the Duke of Alva with a strong army to convert the heretics by military execution ; and finally he did convert them into independent United States. The Netherlanders, or Dutch, having very little land, depended entirely upon their fisheries, trade, and navigation, for their subsistence. While Portugal was a separate kingdom, their ships resorted to Lisbon for the purchase of East-India goods, with which they served all the northern countries of Europe : and, after that kingdom fell under the yoke of Spain, the Dutch still sailed to Lisbon under neutral colours, which the Portuguese gladly winked at. But Philip, knowing that their power to oppose him depended entirely upon their success in trade, resolved to reduce them to poverty by depriving them of one of the best branches of it, and with that view seized their ships in Lisbon, and ordered the Portuguese to have no intercourse with them. But the consequence of his blind and barbarous policy was the very reverse of what he expected. The Dutch, deprived of the supply of India goods at Lisbon, resolved to seek them at the fountain head ; and in the year

1595 four Dutch ships sailed round the Cape of Good Hope, and arrived at Bantam, then the chief town of the island of Java. There they immediately commenced hostilities with the Portuguese, and laid the foundation of a power and commerce in India, which, in no very long space of time, completely eclipsed those of the Portuguese, and remained unparalleled by those of any age or country till after the middle of the eighteenth century, when the English Company rose to a superiority, which, it is hoped, they will ever maintain.

In June 1602 the first ships belonging to the English East-India Company arrived in India, under the command of Captain Lancaster. The English, as well as the Dutch, being at war with Spain, Captain Lancaster sailed with three of his ships, together with a Dutch ship, on an expedition against the Portuguese, in which they took a ship of 900 tons, richly loaded. But, except in this one instance, the English Company's commanders waged no war but in their own defence.

The Portuguese, stung with resentment for the invasion of the trade and navigation, which they had so long esteemed their own, and enraged at the thought of the natives discovering that there were other nations equal, or superior, to them in the art of war, practised against the English and Dutch all the treacherous arts, which the Moors had used against their own predecessors, and used every endeavour to persuade the natives to join with them against the intruders. But the deep-rooted hatred of the natives, who rejoiced to see that their oppressors were not invincible, generally baffled their perfidious arts, as the valour and conduct of their enemies defeated their open hostilities.

The Court of Spain paid little attention to the affairs of Portugal, and still less to those of India *, which did not, like the American continent, send home cargoes of gold and silver, then thought almost the only riches. The Portuguese in India were now mostly natives of the country, of a mixed race, in which the Indian blood predominated; and being but nominally Portuguese and Christians, they cared little for the country or the religion of their forefathers. The Viceroys and all the other officers of government gave their whole attention to the accumulation of wealth, without paying the smallest regard to the justice of the means. Every captain of a petty fort acted as an independent and absolute Sovereign; and every captain of a vessel was an independent pirate. Government was dissolved or disregarded: intestine broils and insurrections were common occurrences †: anarchy and universal corruption marked the ap-

* In the three years (1620-1622) that Hernan de Albuquerque was Viceroy, he never once received any letter of instruction or information from the Court of Spain.

† The goldsmiths and the mercers of Goa went to war, and, while they were fighting, the officers of *justice* took the opportunity to rob the shops of both parties.

proach of inevitable ruin, even though no other Europeans had ever found the way to the Oriental seas. But now the Dutch were beginning to make strong and permanent establishments in the Oriental islands, and received every year such reinforcements from Holland, as plainly showed that it would be impossible for the declining power of the Portuguese to oppose them. The English also, though they had hitherto contented themselves with unfortified factories in a few ports, were so very much superior to the Portuguese in maritime warfare, that, wherever they encountered them, they put them to flight with astonishing facility*.

In the course of a few years the Portuguese lost many of their settlements. The Dutch, intent upon reducing their power, but still more keenly bent upon the abolition of their commerce, blocked up the mouth of the Tagus in the year 1606, and prevented any supplies from being sent to India from Lisbon†. In India the Dutch, the Mogul, and the native Princes, in whose eyes they were now become contemptible, harassed them with perpetual hostilities. In this state of affairs the commerce of the Portuguese East-India Company could not be very prosperous. Many of their ships were taken by their enemies: the derangement of their affairs obliged them often to dispatch them at improper seasons, in consequence of which they were lost at sea: and thus it frequently happened that in a whole year not a single ship arrived at Lisbon from India.

By the misfortunes of their trade the Company were rendered unable to make their regular stipulated payments to the King of Spain, who, in his regret to see himself impoverished, instead of being enriched, by his Indian dominions, sent an order to Avezedo, the Viceroy, to make the government support itself by putting every office to sale to the highest bidder, which was in fact abandoning the Portuguese empire in India to perdition.

The measure of the extorsions, murders, and persecutions, of the Portuguese in Ceylon was now full. The Dutch, who had visited the island in the year 1603, and seen enough to make them anxious to possess the rich trade of it, arrived in force in the year 1632. The natives joyfully assisted them against the Portuguese, little supposing that they were only changing their oppressors, though their destruction of the plantations of cinnamon, the most valuable production of the island, might seem to proceed from a desire of rendering their

* The accounts of the disgraceful defeats of the arrogant Portuguese fleets by small handfuls of English seamen are absolutely wonderful. Some of them will be briefly noticed in the history of the English commerce with India.

† Grotius [*Annal.* p. 685] says the Dutch East-India Company contributed a great sum to the outfit of the blockading fleet, which consisted of twenty-four government ships, besides privateers.

country less desirable to any foreigners. The attack of the Dutch seems, however, to have re-animated the valour of the Portuguese. They resolutely defended every pass and every fort, and after losing all their other settlements, made a brave defence in Columbo, which, after a siege of seven months, famine compelled them to surrender in the year 1656 to the Dutch.

In Japan the Dutch also supplanted the Portuguese, but there only as traders, the policy and power of that empire having never permitted any foreigners whatever to assume the slightest shadow of authority in their country. The Japanese had soon become dissatisfied with the conduct of the Portuguese; though, being unwilling to deprive themselves of the advantages of their trade, they overlooked their pride, their intrigues, and the zeal of their priests in detaching the people from their antient religion. But for some time past the Dutch had also frequented their ports; and, as they could afford every commercial accommodation as well as their rivals, and did not presume to interfere with the religion or politics of the country, they were thought worthy of the preference; and the Portuguese were expelled in the year 1638.

While Portugal groaned under the yoke of Spain, the government of the Indian settlements was repeatedly put into the hands of the Archbishops of Goa and other prelates. These ecclesiastical Viceroys made no exertions to recover the sinking state of their Indian empire.

Faria, the historian of Portuguese Asia, gives an account of 956 vessels, which sailed from Portugal for India, including those which made discoveries along the coast of Africa, from the year 1412 to 1640 *. Of the whole, he reckons that 150 were lost, and the number of people lost in them, he thinks, could not be fewer than 100,000; which is not improbable, as many of the ships were prodigiously large †, and carried eight or nine hundred men. After making every allowance for the want of that knowledge of courses and seasons, which our modern navigators inherit from the experience of their predecessors, such a dreadful waste of life and property gives us but a wretched idea of Portuguese seamanship ‡.

* The Appendix, No. I, contains the number of ships fitted out every year for India.

† The fleet, in which Linschoten sailed, consisted of five ships of from 1400 to 1600 tuns. [*Voyages*, p. 4.]

‡ Linschoten says that almost every year one or two of the Portuguese India ships were lost.

He says, from his own observation, that they were generally over-loaded, lumbered, and top-heavy; that they were frequently not seaworthy, and deficient in necessary stores; and that not a fifth part of the people onboard knew the duty of seamen. [See pp. 150, 151, 166, 169, 179, &c.]

In the year 1640 the Portuguese, by a well-concerted plan, overturned the Spanish government in one week, and made the Duke of Braganza their King, by the name of João IV. The new King paid more attention than his Spanish predecessors to the affairs of India : and perhaps a succession of vigorous and prudent Viceroy's might have restored the decayed Portuguese empire, if they had had only the Moorish and Hindoo armies to contend with. But the Dutch had now established themselves in many of the islands, and in some of the Portuguese settlements on the main land, in such force, as cut off all prospect of success in a contest with them.

For some time after the revolution in Portugal, Great Britain was convulsed by civil wars ; and the commerce of the English East-India Company was in a very languishing state, from which it did not recover till the end of the seventeenth century, or rather the beginning of the eighteenth, when the two rival Companies were happily united : and from that period, the English, though they long continued to make commerce their only object in India, were able to defend themselves against any force the Portuguese could bring against them, if they had been inclined to hostility. But, as the mother country was in a great measure indebted for her independence to the friendship and support of Great Britain, the Portuguese in India were obliged to treat the English Company's servants with civility : and, indeed, many of them, as if resigning all pretensions to the commerce of India, offered themselves and their vessels for employment to the English, who made use of them in the Indian coasting trade.

The King of Portugal had rescinded the privileges of the East-India Company, established during the Spanish usurpation, and resumed the trade with India into his own hands. But as he found that the trade carried on by the Viceroy's and all the other Officers in India, and by the officers and seamen of his ships, was extended so very much beyond the limitation fixed for it, that it rendered his own trade prejudicial to him, as he bore all expenses, and they bore none, he issued an order in the year 1687, entirely prohibiting all private trade between India and Lisbon.

In the year 1731 King João V was induced to make a new experiment of a Company upon a very contracted plan of operations ; for they were allowed to send only one ship for a single voyage, which was directed to be to Surat and the coast of Coromandel only. Such an adventure could not produce any very important consequences.

In the year 1773 King Joseph abolished the inquisition at Goa. He also abolished the high-sounding title of Viceroy, and substituted the more suitable one of Captain-general. He made new regulations for collecting the revenue,
and

and ordered that the soldiers should receive their pay in money, the custom of paying them in necessaries, furnished by the captains, being the means of much abuse. These beneficial alterations, and particularly the suppression of the diabolical tribunal of the inquisition, might have effected some reformation, if there had been any spirit or energy remaining among the Portuguese of India.

During the American war, the Court of Portugal permitted some individuals to fit out a few ships of about 400 or 500 tons, which traded from Lisbon to Surat, where the Portuguese have a small factory. But a very minute portion of the trade conducted by means of those vessels belonged to the Portuguese, almost the whole of the cargoes being the property of subjects of the various powers engaged in the war, who availed themselves of the neutrality of the Portuguese flag.

From the year 1500, when Cabral carried the first cargo of East-India produce to Lisbon, to the year 1595, almost a century, the Kings of Portugal had the entire monopoly of the trade between India and Europe by the Cape of Good Hope. During the first fifty years there arrived only about five ships annually from India. In the subsequent declining state of the Portuguese affairs in India, there arrived annually only three ships upon an average, till Portugal became subject to the King of Spain. During the Spanish dominion the arrivals may perhaps be averaged above three: but the trade was conducted so irregularly, that there were some years in which not one ship arrived. As the goods brought into Europe by the ancient channels of conveyance were much dearer than those brought by the Cape of Good Hope, we may be assured that the quantity of them was but trifling: and thence it appears that the whole consumption of East-India goods in all Europe was never any very considerable object, till the Dutch, and immediately after them the English, engaged in the trade. But as the domineering system, upon which the Portuguese Government conducted their trade, enabled them to set their own prices upon Indian as well as European goods, it is believed that the balance, which is now constantly against all the European nations trading with the Oriental countries, was for some time in favour of Portugal, which made the precious metals more plentiful in that little country than in any other part of Europe before the American mines poured their treasures into Spain for the benefit of the manufacturing and commercial nations.

Of all the wide-spread dominions of the Portuguese in the Oriental seas, there remain now only a few settlements, of very little value, on the east coast of Africa; and on the continent of Hindoostan they possess Diu and some posts
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and factories of inferior importance in the Gulf of Cambay, together with Goa, now, as formerly, the capital of the Portuguese dominions in India. They still have permission to reside at their settlement of Macao near the coast of China, but so much under the controul of the Chinese, that they may be reckoned subjects of the empire, excluded from the society of their fellow-subjects.

‘ The Portuguese settlers still fit out a few vessels, and send cargoes to some of the neighbouring countries. Others lend their names, for a trifling consideration, to foreigners belonging to the Canton factories, who reside part of the year at Macao. These with more capital, credit, connections, and enterprise, are more successful, but require to be nominally associated with Portuguese in order to be allowed to trade from the Port of Macao.’ [*Staunton’s Embassy*, V. iii, p. 434, 8vo ed.]

The military spirit of the Portuguese induced them to prefer a revenue, extorted by the rapine of conquest, and secured by the superiority of power, to the slower, but more permanent, advantages flowing from the mutually-beneficent exchanges of commerce. Like the Romans, whom they seem to have proposed as the model of their imitation *, they were not aware that such a system contained in itself the seeds of inevitable destruction. The oppression and distress attending the collection of the tribute, together with the sanguinary intolerance of their religious bigotry (wherein, however, they differed widely from the Romans) made all the nations of India look with longing eyes for their deliverance from Portuguese tyranny. The arrival of other Europeans in India at once destroyed the belief of their being invincible : and, in the present day, the total expulsion of them from India is only prevented by their being of no importance in the scale of Indian politics. In commercial importance they rank so low, that there is not, it is believed, one Portuguese merchant in Goa, able to ship goods to the value of ten thousand crowns ; and it may be questioned, if the whole Portuguese trade between that capital and Lisbon has for a long time past amounted to £50,000 in a year. As an instance of the wonderful revolutions in human affairs, and especially in commercial affairs, it may be observed, that Portugal and the Portuguese colony of Madeira now receive Indian produce and manufactures from Great Britain.

* When Don Luis de Ataide was hard pressed by the Moorish Princes, he refused the terms of peace they offered, saying, that he would have no other peace than such as it should be proper to make in the most flourishing state of the Portuguese affairs. Every reader of history knows, that a similar spirit of

intrepidity and political arrogance is ascribed to the Romans. João de Castro carried the imitation of the Romans so far, that he revived the parade of their triumphs, leading the captive generals and soldiers in chains behind his triumphal car through the streets of Goa.

Of late the vast demand for cotton in Great Britain has enriched all the countries, which produce that important raw material, and among the rest the Portuguese colony of Brazil, which produces it of a superior quality. In consequence of the improvement in their circumstances, the Brazilians have very much increased their demand for the fine fabrics of India, which are as well adapted to their climate as to that in which they are manufactured. But this new demand has produced little or no increase in the trade of the Portuguese settlements in India, almost the whole of it being carried to the British ports, and chiefly to Calcutta: and as the Portuguese purchase their goods almost entirely with bullion, the trade is very beneficial to the inhabitants of the British territories.

Whether the removal of the Portuguese Royal Family from Lisbon to Brazil, which took place in November 1807, will produce any change in the little remaining trade of the Portuguese settlements in India, time must show.

THE COMMERCE OF THE DUTCH WITH INDIA.

DURING many centuries the inhabitants of the Netherlands were distinguished among the nations of Europe by their assiduity and proficiency in fisheries and manufactures. These two branches of industry, being nursed by economy, became the foundation of a great carrying trade and an extensive commerce, as commerce was then in the world, when long voyages were unknown, and it was thought necessary to have an entrepot between the northern and southern extremities of the west coast of Europe, where the merchants of Denmark, Sweden, and Norway, might meet with those of Great Britain, France, Spain, Portugal, and Italy.

Before the beginning of the sixteenth century, Bruges had been enriched by being the seat of this general trade. But in the year 1515 the English merchants removed from Bruges to Antwerp, whither they were followed by most of the merchants of other countries: and thenceforth Antwerp became the chief seat of the trade of the western parts of the World. There the produce and manufactures of every country in Europe were collected and exchanged; and thither also the merchandize of India was brought, partly from Venice, but chiefly, and afterwards almost entirely, from Lisbon. Though the merchants of the various countries generally transacted their own business, a considerable portion of it must have fallen into the hands of the Netherland merchants, by which, and the necessary expenditure of a great concourse of people, vast sums of money remained in those towns which the foreign merchants favoured with their residence.

The Netherlanders, whose minds were expanded and enlightened by an intercourse with a variety of nations, were among the first to perceive the absurdities of the Roman-catholic religion, and great numbers of them embraced the reformation. The King of Spain, who was then their Sovereign, resolved to establish an uniformity of religion through the whole of his extensive dominions; and, in consequence of this pious resolution, as his priests called it, and as he, we may presume, believed it, he persecuted with the most unrelenting cruelty all dissenters from his own standard of faith*.

* Before the people rose against their oppressors, a hundred thousand of them were judicially slaughtered, the men by fire and sword,

and the women by being buried alive. [*Grotii Annal. Belg. pp. 15, 17.*]

Persecution is a very powerful engine, which generally produces effects diametrically opposite to those intended by the authors of it: for it disseminates and extends the religion, it is employed to suppress, and it depopulates and ruins the country, whose prosperity and tranquillity it is expected to promote. As many of the protestants of the Netherlands, as could possibly withdraw their persons and properties from the Spanish dominion, went to other countries, where they could enjoy civil and religious liberty: and, after the Hollanders declared themselves independent of Spain, Amsterdam and their other towns acquired great accessions of inhabitants, valuable by their opulence, and still more by their industry, who were induced, by the wise Dutch policy of allowing strangers to enjoy equal privileges with themselves in respect to trade and manufactures, to remove to a land of civil and religious liberty. The ruin of Antwerp by the Duke of Parma in the year 1585, while it made a great addition to the most valuable class of the population of Holland, also transferred to that country the superior knowledge of the woollen manufacture and the fishery, which had been the chief means of raising Flanders to the greatest height of commercial prosperity.

After the year 1580, when Portugal fell under the yoke of Spain, the Netherlanders sent their ships to Lisbon under foreign flags to take in East-India goods, the great market for which was transferred from Antwerp to Amsterdam. Philip, King of Spain, judging truly that their commerce enabled them to support the war against him, resolved to cut off that resource; and, in order to strike at the root of their profitable trade in Indian goods, he seized all their vessels in Lisbon, alleging that he wanted them for his own service, and ordered his Portuguese subjects to have no intercourse with them upon any pretence whatever.

The blind and narrow policy of Philip gave rise to, or at least accelerated, the establishment of the East-India trade of the Dutch. They could not possibly retain the general trade of the north parts of Europe, if their assortments were deficient in the important articles of spices and other East-Indian merchandize: therefor, as the King of Spain had shut them out from the only market in Europe where they could be purchased, they resolved to seek them at the fountain head; and they did not apprehend that they should meet with any very formidable opposition from the declining power of the Portuguese settlements in India, which were utterly neglected by their new Sovereign.

The merchants, who proposed to engage in the East-India trade, thought, that, if they could accomplish a passage to India by the northern parts of the world,

world, (which several English navigators had already attempted) they should have nearly as great an advantage over the Portuguese by the shortness of the voyage, as the Portuguese had over the Venetians by the cheapness of water carriage. With this view three several voyages were undertaken in the year 1594 and the two following years, which, it is not necessary in the present improved state of geographical knowledge to say, were unsuccessful.

While the merchants were anxiously expecting the discovery of their northern passage to the rich countries of the East, an accidental circumstance induced them to send out some ships, in defiance of Papal and Spanish prohibitions, by the known route round the Cape of Good Hope. Cornelius Houtman, a Dutch merchant, or navigator, who had by some means obtained much information respecting the Portuguese method of conducting the trade of India, being in confinement in a foreign country *, found means to send notice to some of his friends in Amsterdam, that, if the merchants, desirous of engaging in the India trade, would remit him a sum sufficient to relieve him from his distress, he would be glad to employ the knowledge he had acquired in Indian affairs for the service of his benefactors.

The necessary sum being sent to him, he soon arrived in Amsterdam ; and the merchants, who had relieved him, formed themselves into a partnership for attempting the trade to India by the Cape of Good Hope, under the name of THE COMPANY FOR REMOTE COUNTRIES. With a capital of only 70,000 guilders, they speedily fitted out four ships, carrying in all 62 guns and 288 men, under the command of experienced navigators, who, with Houtman for their commercial director, sailed from the Texel on the 2d of April 1595.

* Writers differ respecting the circumstances of Houtman's confinement. In the Copenhagen edition of Savary's *Dictionnaire de Commerce*, [V. v, col. 1609] he is said to have been a long time in the service of the Portuguese, whereby he acquired his knowledge, and that his imprisonment was among the Turks, by whom he had been taken in war.—Raynal [*Hist. Philos. et Pol.* V. i, p. 200] says, that he was imprisoned for debt in Lisbon : and he is exactly copied by the Duque de Almodovar, his Spanish translator, who has altered, and added to, his narrative, as he saw occasion. According to Sallengre [*Essai d'une Hist. des Provinces Unies*, p. 63] the Spanish Govern-

ment, alarmed by his inquiries, ordered him to be kept in close confinement, till he should pay a large fine, which, it was supposed, he would never be able to discharge.

Of these accounts we may venture to say, that the last is the least probable ; for surely the same jealous policy, which dictated his confinement, would have refused to release him upon any terms whatever.

It may be observed that Grotius [*Annal. Belg.*] when relating the first Dutch voyage to India, does not mention Houtman ; and Purchas, in his *Pilgrimes*, does not say any thing of him previous to his embarking on his second voyage for India.

At Bantam they loaded their ships with spices, partly bought from the natives, but mostly plundered from the Portuguese. Having lost one of their ships, they arrived with the other three in Holland in August 1597; and though the profit of the voyage was much reduced by the loss of the ship, their return inspired their countrymen with full confidence of establishing a successful trade with India.

Before the return of these ships another set of merchants had associated for engaging in the India trade. But the two Companies, wisely considering the evils to which their interests would be exposed by competition in India and Holland, agreed to unite their stocks; and accordingly eight ships, belonging to the United Company, sailed for India in the year 1596.

About the same time many other merchants in various parts of the United Provinces formed Companies for the India trade, and sent out about forty ships in the year 1597 and the four following years. Four of these ships, commanded by Oliver Noort, sailed through the Straits of Magellan, and performed the first Dutch circumnavigation of the Globe*, Five others, which sailed about the same time (Summer 1598) under the command of James Mahu, also with an intention of going round the Globe, were obliged by storms to return home from the Straits of Magellan.

In the East Indies the Dutch were exposed to the hostilities of the Portuguese, and sometimes of such of the natives as the Portuguese could persuade to attack them. But in general they found the natives exasperated against the Spaniards and Portuguese, and disposed to give a friendly reception to any other Europeans, who would relieve them from their oppression. In Europe King Philip had made no effort to prevent the revolted Netherlanders from bereaving his Portuguese subjects of the monopoly of the valuable trade, which they had enjoyed unrivaled for about a century, till the year 1601, when he sent thirty ships of war to seize the outward-bound Dutch East-India ships. But this great fleet, falling in with eight Dutch ships, not only found an obstinate resistance, where they thought they had nothing to do but take prizes, but were finally beat off with disgrace.

The great number of ships sent out by the several Dutch Companies, though by their strength they supported the cause of their country against the Spaniards and Portuguese, prejudiced their commercial interest in India by

* The chief pilot of these ships was an Englishman of the name of Melis, who had sailed round the Globe with Candish. He

was killed by the Portuguese on the coast of Africa; but his papers were found very useful, when the ships got into the South Sea.

their competition, when the vessels of two or more Companies happened to be in the same port, and also at home by the interference of their sales. But the Dutch, with their characteristic sagacity, soon discovered this commercial error; and the States-General, as soon as the necessary preliminaries could be adjusted, united all the small Companies into one, to whom, on the 20th of March 1602, they gave a charter, securing to them for the term of twenty-one years the exclusive privilege of trading to India, and investing them with power to commission Governors and other officers, build forts, maintain garrisons, and make war and peace in all countries beyond the Cape of Good Hope.

This great Company being formed out of a number of smaller ones, who were desirous of retaining shares of the trade under their own management, and in their own ports, it was determined, in order to accommodate all parties, to establish six different *chambers*, each of which should have a proportionate share of the management. Upon this plan, the merchants of

Amsterdam subscribed	3,674,915	florins, and had	25	Directors*,
Middleburg - - - -	1,333,882	- - - -	12	
Delft - - - - -	470,000	- - - -	7	
Rotterdam - - - -	177,400	- - - -	7	
Hoorn - - - - -	266,868	- - - -	7	
Enkhuysen - - - -	536,775	- - - -	7	

The whole capital being 6,459,840 florins, under 65 Directors.

The subscription brought a great deal of money into Holland from other countries, and also induced many opulent merchants of the Spanish provinces in the Netherlands, and of other places, to remove with their effects into the Dutch provinces, which thus received a great accession of valuable subjects and capital.

The Company were so diligent in fitting out their first fleet, which consisted of fourteen large ships, that they dispatched them in June 1602 under the command of Admiral Waerwyk. Near Bantam they were attacked by Don Andreas de Furtado, a brave Portuguese officer, who had the better in several rencounters: but, instead of accomplishing his purpose of driving the Dutch out of the Indian seas, he was finally obliged to retire, and leave them at liberty to prosecute their voyage to the Molucco islands, the country of the best spices, which were then the articles chiefly in demand in Europe.

* Of the 25 Directors of the chamber of Amsterdam, 18 are chosen by the proprietors of stock residing in that city, and the other 7

are deputed from the cities of Harlem, Leyden, Dort, Gouda, and the provinces of Gelderland, Friseland, and Utrecht.

The first fleet was followed by a continual succession of others, all strongly armed, which carried out soldiers to remain in the Company's settlements. The power of the Spaniards and Portuguese declined, while that of the Dutch increased, in India: and the natives, very happy to discover that their Portuguese oppressors were not invincible, gladly joined the Dutch, as soon as they thought they could do it with impunity.

In the year 1602 the first ships of the London East-India Company appeared in India: and the Dutch, who were in a great measure indebted to the assistance of the English for the establishment of their independence, associated heartily with them against the common enemy, whom, by their united efforts, they expelled from several of their settlements among the Oriental islands, and particularly the Moluccos.

At length, the Spaniards and the Dutch being both tired out with the long-protracted war, negotiations were set on foot in the year 1609 for a treaty of peace. The Spanish Commissioners insisted strongly upon the Dutch giving up the East-India trade; whereupon the Company represented to the States-General, that very great numbers of people of both sexes depended upon them for employment, and that the country was very much enriched by the money brought in from other parts of Europe by their sales, which, with proper attention, might be very considerably increased. These arguments had their due weight with the States-General, who assured the Company that they would upon no account listen to any proposal injurious to them.

After a tedious negotiation, it was found that no definitive treaty of peace could be agreed upon, the Spaniards being still too lofty to acknowledge the absolute independence of the United Provinces; but, in order to have some respite from the horrors of war, they agreed upon a truce to continue for twelve years.

In India little attention was paid to the truce on either side. The Dutch were driven out of the Moluccos by the Spaniards. But they soon recovered them: and they also supplanted the Portuguese in the trade with Japan. These successes, and the possession of many good forts and valuable islands, and of fifty large and strong ships, tempted them to depart from the moderation and justice, which had procured them the esteem and good will of the people of India, and assume much of the overbearing deportment, and the tyrannical and oppressive conduct, which had rendered the Spaniards and Portuguese universally detestable.

While the Dutch were so powerful in India, the English, almost the only other European nation who had presumed to encroach upon the claim of Spain
and

and Portugal to the sole dominion of the Indian seas, were in a very weak condition. They had very few ships, and no fortified settlements: and the Dutch, unmindful of bypast kindness and protection, availed themselves of their superiority in the Indian seas by frequently insulting and oppressing the English factories. Notwithstanding a treaty of peace and friendship between the two Companies, concluded at London in June 1619, which will be noticed more at large in the account of the English commerce in India, the Dutch drove the English Company's people out of the islands of Lantore and Pul6 Roon with circumstances of horrid barbarity; and in February 1623 they massacred all the Englishmen in Amboyna with the most diabolical tortures, on the bare-faced pretence, that a small handful of men, not exceeding twenty, had conspired to expell them from four strong forts, garrisoned by five or six hundred soldiers*.

In January 1619 the English Company's people drove the Dutch out of Jacatra, a town situated in the large island of Java, in which both nations had factories. But the Dutch soon returned in greater force, and took the place from the natives, to whom the English had resigned it. Koen, the Dutch commander, immediately laid the foundation of a regular fortified city, which he called Batavia, and appointed it to be the capital of the Company's territories and settlements in India, instead of Amboyna, which had hitherto been the seat of government.

In the year 1622, as the Company's charter was nearly expired, some people in Holland became very active in propagating the doctrine of the pernicious consequence of monopolies in trade, and endeavoured to persuade the Public, that much more money might be brought into the country by the trade with India, if it were laid entirely open. But the States-General, observing the vast riches brought into the country by the Company, who in the space of twenty-one years had divided near thirty millions of florins, being more than quadruple the original stock, while the stock itself was rendered vastly more valuable by the acquisition of settlements, ships, and other indivisible property,

* In Europe the Dutch endeavoured to slur over this abominable deed by publishing, in very general terms, that there had been some commotions in Amboyna, which the vigilance and prudence of the Governor had completely suppressed: and afterwards, finding the massacre universally execrated throughout all Europe, they published some laboured apologies, which were inconsistent with their own first

account of the affair, and accordingly obtained little credit. In the year 1654 Oliver Cromwell obliged them to make some compensation to the widows and heirs of twelve of the persons murdered by them, and to promise to execute judgement upon the criminals, if any of them were living, which amounted to a confession of the fact.

and considering that a great revenue was derived from the customs on the Company's trade, were by no means disposed to resign what seemed certain for the very doubtful advantages promised by their opponents: and therefor they granted the Company a new term of twenty-one years, to be reckoned from the first day of January 1623.

The truce with Spain having expired in the year 1622, the States-General sent a fleet of eleven ships, carrying about 300 guns, against the Spanish settlements in the South Sea, to the expense of which the Company contributed largely. In this expedition they did much mischief to the Spaniards without acquiring any advantage to themselves: but they incurred merited disgrace by hanging twenty-one prisoners, because the Governor of Callao refused to pay the sum they demanded for their ransom*.

The Company's affairs continued to prosper in India; they sent out from thirty-four to forty-one ships, and received home from twenty-five to thirty-four, annually, whereby they were enabled to make great and profitable sales at home: and an affair, which appeared to threaten the total destruction of their trade with Japan, most unexpectedly became the means of improving it. In the year 1628 Peter Nuyts arrived in Japan as Ambassador from the Governor and Council of Batavia. But he, thinking the representative of a Sovereign Prince would be better received than the Minister of a Company of merchants, assumed the title of Ambassador of the *King of Holland*; and as such he was presented to the Emperor, and was actually treated with more respect than any person of his real character had ever been before. But the Emperor, learning from some of the Portuguese, then in Japan, that there was no such person as a King of Holland, was induced to examine M' Nuyts's credentials very strictly; and, after discovering the deception, he ordered him out of the country with disgrace.

After Nuyts returned to Batavia, Koen, the Governor-general, rather imprudently, appointed him Governor of the Dutch settlement at Tywan, a large island to which Europeans have given the name of Formosa. The port of Tywan being much frequented by Japanese traders, Nuyts conceived the notion of taking revenge upon some of them for the affront he had suffered in Japan.

* The Dutch, finding that this barbarous deed revived the odium brought upon them by the massacre of Amboyna, published a kind of vindication of themselves. They alleged that the Governor used them ill; that they were short of provisions, and therefor could

not keep their prisoners; and they could not set them at liberty, as they would expose their weakness to the Spaniards.—But, *they did propose to set them at liberty*, provided their avarice could have been gratified with the sum demanded.

In consequence of this wise idea, he ordered the guns, rudders, and sails, of two large Japanese vessels, bound to China, which had come into the port in order to take in fresh water, to be brought on shore, in imitation of the treatment of the Dutch vessels in Japan. The Japanese were obliged to comply, expecting, however, to receive them again, as soon as they should be ready to leave the port. But the Governor, being determined to harass them, detained them till the proper monsoon for their passage to China was past. The Japanese, giving up their intended voyage to China, represented to the Governor, that, having lost the season for making their voyage, they now only wished to return to their families, and offered a large bribe to induce him to let them go. Finding the Governor inexorable, they were driven to despair, and determined to effect their deliverance by force, or perish in the attempt. The two ships carried five hundred men. Nine of the principal merchants and officers waited upon Nuyts, and informed him, that they had paid the Chinese merchants in the preceding year for 25,000 pounds of silk, which they were to have received this year : but they were willing to overlook that disappointment, if he would only allow them to go home ; and they concluded by saying, that they were resolved to go. These nine principal men were attended by twenty-four of the bravest men of the two ship's companies, as servants, who had arms under their clothes ; and a hundred and fifty more dropt in by small parties into the court-yard, as if only anxious to know the fate of their petition. The Japanese leaders, finding nothing to be done by fair means, seized the Governor with his son and one of his counselors : and their men in the court-yard, having got the signal, immediately broke into the house, and put to death every person in it, except the captives. The garrison in the fort, as soon as they understood what was going forward, began to fire upon the government house, and continued, till the Japanese obliged Nuyts to order them to desist. They then fortified the house, and compelled the Governor to assemble the Council, in order to subscribe a writing, whereby they obliged themselves to restore whatever had been taken from the two ships—to deliver goods to the Japanese merchants out of the Company's warehouse, equal in value to the silk which they had paid for in China—to land the rudders and sails of all the Dutch ships in the harbour, in order to prevent an immediate pursuit—and to give five hostages for the faithful performance of the agreement. Though the Dutch had forces more than double the number of the Japanese, they did not attempt to engage with them ; nor could they prevail with them to abate one article of their demand. When every thing was executed according to their desire, they very generously gave the Dutch the receipts of the Chinese merchants, in virtue of which they were

entitled to receive the silk the Japanese had paid for; though certainly they could not have been blamed, if they had retained that value, as compensation for the damage of above a year's detention.

When the Japanese arrived in their own country, they reported the whole affair to the Government, whereupon all the property of the Dutch was taken into custody, and a stronger guard than the former one set upon their factory. But they were not maltreated in any other respect; and they were not allowed to know the cause of the change of conduct towards them, for their countrymen, the hostages of Formosa, were kept close in prison in the capital. When they represented to the Emperor that they should be ruined by their goods perishing in the warehouse, he ordered Commissioners to make sale of them, and pay the proceeds to the Dutch, who could not conjecture what might be the meaning of this mysterious conduct. They found means, however, to send information of their inexplicable situation by some Portuguese and Chinese vessels to the Governor-general at Batavia, who, in order to obtain some knowledge of the affair, sent a vessel with a cargo to Japan. There the merchant, who had the charge of her, was permitted to sell his goods, receive a cargo in return, and depart, without receiving the smallest information relating to the treatment of his countrymen.

In the mean time the Governor-general, having got notice of the affair by some other means, sent for Nuyts to Batavia. But no punishment was inflicted upon him till about three years afterwards, when Van Diemen, who was then Governor-general, resolved, as the only means to regain the favour of the Japanese Government, to deliver Nuyts into their hands, to be disposed of as they should think fit: and this resolution, which threw the criminal into despair, was speedily executed. Upon his arrival in Japan his person was identified by some of the people he had detained at Tywan, and the Japanese Government proceeded to consider, what they should do with their prisoner: but, after threatening to broil him on the coals, or nail him to a cross, they permitted him to go about in the company of a guard, and restored the factory to all their former liberties, of which they had now (1634) been deprived during five years. Nuyts, who had expected to be broiled or crucified, was very happy to think that he was only to be obliged to pass the remainder of his life in Japan. But in this also he fared better than he expected, or deserved. Among some presents, sent from Batavia to the Emperor, there was a very superb chandelier, which he saw for the first time lighted up on a solemn occasion. Being very much delighted with it, and learning that it was presented to him by the Dutch Company, he sent them in return a valuable present in silver, which he accompanied

accompanied with a grant of some additional privileges ; and he moreover set Nuyts entirely at liberty.

In the whole of this transaction, who is to be stigmatized with barbarism ; Nuyts or the Japanese ?

Upon the revolution in Portugal in the year 1640, the new King, João IV, entered into an alliance with the Dutch, they being, as well as himself, at war with Spain ; and it was agreed that both powers should retain whatever territories they then possessed. But the inhabitants of Brazil, who, as subjects of Spain, had been invaded by the Dutch, and had lived some time under their dominion, thinking themselves now authorized to transfer their allegiance to the King of Portugal, whom they considered as their natural and legitimate Sovereign, in a few years expelled the Dutch from their possessions in that country. In this revolt they were assisted by many of the Dutch inhabitants, who were rendered uneasy by the excessive parsimony of the West-India Company in their establishments : a memorable and forcible warning to all rulers of the pernicious tendency of that false economy, which seeks to obtain services without allowing due compensation for them.

The loss of Brazil, while it ruined the Dutch West-India Company, was one of the many events, which have contributed to aggrandize the East-India Company ; for the Court of Portugal, thenceforth turning their attention to that country, neglected their dominions in the East, at the very time when they stood most in need of support against the Dutch, whose thirst of gain and conquest being animated by their neglect, they gladly availed themselves of the revolt of Brazil as an opportunity of commencing hostilities, and vigorously attacked the Portuguese settlements in various parts of India. In the year 1641 the important city of Malacca, esteemed the key of the navigation of the Indian seas, was taken, after a siege of four months and twelve days, by means of an agreement with the Portuguese Governor, who was to receive 80,000 dollars from the Dutch, as the reward of his treachery, but, instead of that sum, received his death at their hands, they thinking that the easiest way of settling accounts with him.

In the year 1644 the Company obtained a third charter of twenty-one years, for which they were obliged to pay 1,600,000 florins into the treasury of the States-General, though their dividends had been smaller during the last term of twenty-one years than in the early part of their trade, owing partly to the very great increase in the expense of their government and establishments, in India, and partly to the competition of the English and French Companies.

The large demand upon them for the renewal of their privilege was occasioned by a request of the West-India Company to the States that they might be united to the East-India Company, and promising, though they acknowledged themselves ruined, to pay that sum to the treasury on their petition being granted, which they expected to raise by the advance upon their stock on making so advantageous a connection. The East-India Company, on whose prosperity they proposed to prop up their own bankrupt estate, were thereupon obliged to offer a large sum to preserve themselves from so pernicious an union.

Philip IV, King of Spain, being heartily tired of the war begun in the reign of his grandfather, Philip II, agreed to acknowledge the States-General of the Low Countries as free and sovereign States, upon whom he should never form any pretensions, and to maintain a perpetual peace with them. By the treaty for this purpose, concluded at Munster on the 30th of January 1648, it was stipulated that the Spaniards and the Dutch should each retain possession of all the territories in America, Africa, and the East Indies, then occupied by them, and moreover, ' That the Spaniards shall keep their navigation in the East Indies ' in the same manner they hold it at present, without being at liberty to go ' farther * ; and the inhabitants of these Low Countries shall not frequent the ' places, which the Castilians have in the East Indies.' Thus were the East-India Company delivered from one enemy, though now not a very formidable one, in the Indian seas.

It was about the year 1650 that the Company began to establish their settlement at the Cape of Good Hope, which has become so important. Some faint attempts at a settlement on the southern extremity of Africa had been made in former times by the Portuguese, by the English, and by the Dutch themselves, who all deserted it : and it was thought no more of, till M^r Van Riebeeck, the surgeon of one of the Company's ships, having attentively considered the nature of the country and its convenient situation, laid a scheme for the settlement of it before the Directors, who immediately resolved to carry it into execution, and appointed M^r Van Riebeeck to be the Governor of the proposed colony. He began by purchasing a portion of the country from the natives, for which he paid them to their contentment. A town and a fort were built, and every other necessary improvement executed ; which, as all the materials were carried from

* That is to say (though they are unwilling to express it in clear language) that the Spaniards shall not sail to India by the Cape of Good Hope, but by the southern extremity of America, and go no farther west in the Indian

Seas than to their settlements in the Philippine Islands. It was upon this article that the Dutch founded their opposition to the Austrian East-India Company of Ostend.

Europe, cost in twenty years the sum of twenty millions of florins. But the Company, who became more and more sensible of the growing importance of the colony, cheerfully submitted to the expense: and they have been amply repaid by the great accommodation furnished to their ships in water, wood, fruits, and fresh provisions, and the recovery of their people's health after the fatigues of a long passage, besides a revenue drawn from the territory, after it was settled, which was nearly equal to the sums expended for the government and defence of it.

The Company had already made some efforts to establish a commercial intercourse with China, which had been unsuccessful. But having learned that the new Tartar * Sovereign of that empire had opened Canton as a free port to the commerce of all nations, and finding that the envoys, who had been sent to that city by the Governor-general of Batavia, had received some degree of encouragement from the Viceroys who governed the city and the adjacent province, they appointed Messieurs Boyer and Keyssel their Ambassadors to the Emperor, and directed them to sail from Batavia to Canton with a letter and presents to his Imperial Majesty. After a delay of some months at Canton, they proceeded upon the great canal to Pekin, where after a tedious attendance, they were admitted (2d of October 1656) to an audience of the Emperor, who received them civilly, accepted their presents, and gave them presents in return, but declined having any closer connection, though he gave them leave to send vessels, not carrying altogether above one hundred men, once in eight years, to Canton. This embassy and the preceding negotiations cost the Company 30,000 taels of silver (about £10,000 sterling). [*Voyage des Hollandois a Pekin, en Voyages curieux de Thevenot, V. ii, p. 31, et suiv.*] The Company, disgusted by the bad success of their embassy, and the heavy expense of it, thenceforth paid little attention to a direct intercourse with China: and they could the more easily dispense with it, as the Chinese traders, who resorted in great numbers to Batavia, supplied them abundantly with silks, tea, porcelain, musk, and all other kinds of goods, which could be procured in China, and took in return European and Indian goods, upon which they made as good profits, as they could do by carrying them to China.

The Company's ships had visited Ceylon in the beginning of the seventeenth century; and the commanders, by promises of assistance had endeavoured to induce the Rajah, or King, to throw off the yoke of the Portuguese. No event of any importance followed these promises for many years, till Rajah Singah,

* I here write Tartar in compliance with custom, though Tatar is the more genuine name.

who had been educated among the Portuguese at Goa, and learned perhaps more than his tutors wished, being provoked by the oppression of the Governor of the Portuguese settlements in the island, sent Ambassadors in the year 1638 to M' Van Diemen, the Governor-general of Batavia, begging his assistance. Van Diemen received the Ambassadors with great respect, informed them that he had similar complaints of the oppression of the Portuguese from every part of India where they had any power, and assured them, that, as the Company delighted in supporting the cause of injured Princes, the Rajah might depend on a powerful relief, which they should send to him merely for the pleasure they took in doing justice; and that they should restore all his forts and territories as soon as they could be taken from the common enemy, that he might be perfectly at liberty to direct the trade of his country into any channel most agreeable to himself. In return for these important advantages they only required of him to repay the expense of the expedition, to co-operate with them by bringing all his forces against the enemy, and to allow them a single fort for a retreat to their troops while in his service.

In February 1639 six Dutch ships of war, having onboard a considerable body of soldiers, arrived on the east side of Ceylon, and took possession of Baticolo and Trincomalee, which they put into the hands of the Rajah, agreeable to treaty, taking care first to demolish the fortifications. Next year a much greater force arrived at Batavia, and took the strong forts of Negumbo and Punta de Gallo, after which the news of the revolution of Portugal, and the treaty between the new King of that country and the Dutch, produced a cessation of hostilities, which, however, was of very short duration.

The Dutch and Portuguese commanders in Ceylon, when they got intelligence of the peace concluded in Europe, agreed that each should retain the posts he then possessed. Negumbo having been retaken by the Portuguese, the only possession of the Dutch was the fort of Punta de Gallo; and, as the Portuguese refused to evacuate the territory belonging to it, the Dutch were in fact blockaded within their fort. This unfriendly state of neighbourhood produced a sanguinary war, which was at last in some degree terminated by an order from the King of Portugal to resign to the Dutch the quiet possession of the places occupied by them; whereupon the Portuguese, though very unwillingly, evacuated the contested country in December 1644.

In the year 1652 the war was renewed; and the Portuguese were victorious in several battles with the Dutch and the Rajah till September 1655, when a strong reinforcement arrived from Batavia. Victory then declared in favour of the allies, who took Columbo in May 1656. But now the Dutch refused to
resign

resign that fortress to the Rajah, alleging that they should retain it as security for the money due to them for the expense of their fleets and armies.

The Dutch, being further reinforced from Batavia, now made war upon both the Portuguese and the Rajah. But their principal object was to drive out the Portuguese, which at length they accomplished in June 1658 by the reduction of Jafnapatam, the last place held out against them. Having quareled with the Rajah, the treaty made with him in 1638 was considered as annulled; and that unfortunate Prince found, that all the fruit of his warfare of twenty years, and his expenditure of blood and treasure, was only that he had exchanged his masters.

The Dutch, ascribing the disappointment of their embassy to China to the intrigues of the Portuguese Jesuits in that country, resolved to take the first favourable opportunity of being revenged. In the year 1660, understanding that the Jesuits had a large property onboard a Portuguese fleet, lying with a very rich cargo in the harbour of Macassar, a city at the south end of the great island of Celebes, they sent thirty ships to attack them. Though the Portuguese were assisted by the King of the country, the Dutch burnt and sunk five ships; and, though they brought off only one, the cargo found onboard her was sufficient to reimburse the expense of the expedition, and also that of the unsuccessful embassy to China. They moreover obliged the King of Macassar to surrender to them the port and fortress of Jompandam, to expell the Portuguese, and to become bound never to admit any other Europeans than themselves to trade in his dominions.

The Company's valuable settlement in the fruitful island of Tywan, or Formosa, which, though near the coast of China, was not then subject to that empire, afforded a retreat to twenty or thirty thousand of the Chinese, who were unwilling to submit to the dominion of the Tartar conqueror. These refugees being permitted to settle under the protection of the Dutch government, carried on a great and lucrative trade with their countrymen in China; and they also afforded a considerable revenue to the government, every person above seven years of age paying a capitation tax of half a gilder a month. The island being also at no great distance from Japan, the Company's factory enjoyed a very advantageous trade with that empire, after the interruption occasioned by the misconduct of Nuys, and were in a very prosperous condition:

The Dutch have sometimes allowed their love of money to get the better of their prudence; and their conduct in Formosa was a remarkable instance of such inattention.

In

In the year 1653 the Chinese inhabitants of Tywan had entered into a conspiracy against the Dutch government, which, being discovered by one of themselves, was quelled by the help of the original inhabitants of the island. But the Dutch most unaccountably neglected to bestow the necessary improvements upon their fortifications, which were in a very bad condition ; and they were equally careless of conciliating the good will of their Chinese subjects by a mild and judicious treatment, and an impartial administration of justice.

Coxinga, the Governor of the maritime province of Tche-chiang in China, apprehending that he might be unable to withstand the power of the Tartars, and disdaining to live under their yoke, sent an Ambassador to Werburgh, the Dutch Governor of Tywan, to ask permission to retire with his followers to the island, in case he should find himself unable to repell the invader ; to which the Governor answered, that he should be welcome to come himself, but that his followers could not be admitted. Resolved not to abandon his faithful soldiers, Coxinga sent a second messenger to the island with instructions to warn all the Chinese inhabitants to be ready in a month to come to his standard, on pain of confiscation of all the property belonging to them in China, where they had extensive commercial connections, and of being put to death if they should fall into his hands. His summons was obeyed by about a half of the Chinese upon the island ; and, in order to distress those who remained, and also the Dutch, he allowed no vessels to sail for Tywan, and at the same time declared war against the Dutch.

Coxinga in the mean time made obstinate resistance against the progress of the Tartars, and with such effect, that the Emperor thought proper to enter into terms with him for a pacification, allowing him to retain the command of three provinces, on condition that his subjects should cut their hair short, which was a very galling mortification to a people, who consider long hair as the most pretious thing they can possess.

The Chinese in Tywan had now been a year and a half deprived of their trade with the continent ; and, being much distressed by the privation, they requested the Governor to send an Ambassador to Coxinga, and offered to defray all the expenses of the embassy and the presents. The Governor, as anxious for the restoration of the commercial intercourse as themselves, appointed one of the principal Chinese merchants to be his Ambassador for the negotiation of peace. But Coxinga, in resentment of Werburg's late refusal of his request, now refused to accept the presents or admit the Ambassador to an audience. Nevertheless the Governor sent him a second time ; and then

Coxinga

Coxinga granted peace, and the restoration of trade, after it had been interdicted about two years.

Whether Coxinga found himself uneasy in his situation in China, and wished to establish a more independent sovereignty in Tywan, or desired to revenge the affront formerly put upon him by Werburgh, we are not informed: but he resolved upon an invasion of that island, to which he was encouraged by the information he had of the bad state of the fortifications on the one hand, and by the approved valour of his own veteran soldiers on the other.

Werburgh, informed of Coxinga's intention, wrote to Batavia for succours. But, before they could arrive, the Chinese commander, who had deliberately prepared a fleet of six hundred vessels, well provided with cannon and other arms, arrived at Tywan (March 1661), and immediately reduced some of the out forts, and made himself master of the town and adjacent country. He then sent a deputation of his prisoners to the Governor, offering, if he would surrender Fort Zeland, the principal strength in the island, to permit him and all the Dutch inhabitants to remain in the country, and retain the whole of their property, but threatening, if his offer were not accepted, to give no quarter.

Cojet, the Governor of the fort, determined to hold out to the last; and the siege was vigorously carried on, both by sea and land, when the sight of some ships from Batavia seemed to promise relief. Cawen, the commander of the ships, actually did all that could be done to save the settlement. But a detachment of soldiers, who landed from the ships, and fought bravely, were overpowered by numbers, and obliged to retreat with the loss of four hundred men. Neither was the Commodore more fortunate in attempting to force his way into the harbour; for one of his ships ran aground, and her men, to the number of four hundred, were cut in pieces by the Chinese; and another of them blew up. The Commodore, discouraged from any further attempt to relieve the place, then took onboard two hundred women and children, who had found means to make their escape, and returned to Batavia.

The Governor-general immediately dispatched four ships to the relief of Governor Cojet, who, having sustained a close siege as long as it was possible to hold out, was at last obliged to surrender (5 July 1661): and Coxinga, notwithstanding his threat of giving no quarter, allowed the remainder of the garrison to go onboard the Dutch ships *.

* Thus far in the account of the loss of Formosa I have chiefly followed the narrative of a person belonging to the Dutch army, who

was present. [*Thevenot, Voyages curieux, V. i.*] He differs in several particulars from Basnage and Neuville.

This was one of the severest blows the Dutch Company had sustained since their first appearance in India : for, besides the total loss of a most valuable and lucrative settlement, they were now desitute of a port of refreshment for their ships trading to Japan, and even ran a risk of being intercepted ; whereas, while they were masters of Formosa, they were able to controul the commerce of the Spaniards, the Portuguese, and the Chinese. The only consolation that they had, was, that the Tartar Emperor of China, who may have considered Coxinga as a deserter, promised to restrain his power, and to prevent him from annoying the commerce of China and Japan.

If Coxinga could have prudently satisfied himself with the dominion of the valuable island, which had now fallen into his hands, and considered that his chief duty as a Sovereign consisted in promoting the happiness of his subjects, his descendents might probably have been the Monarchs of Formosa to this day ; for the Tartar Emperor had no claim or pretension upon it as Sovereign of China. But Coxinga, like most other conquerors, wanted to grasp at too much ; and we find him soon after engaged in a war with the Emperor's forces on the main land of China, where he seems to have intended to maintain himself in the independent sovereignty of the provinces, of which he had been Governor. This conduct produced an alliance between the Emperor and the Dutch, who sent a fleet of seventeen ships to co-operate with the Chinese forces. Coxinga's fleet was not despicable, either in number, or in arms ; and he showed himself as great in the character of an Admiral as in that of a General. But in two fierce engagements the superiority of the European ships, artillery, and nautical and military skill, finally prevailed ; and the fall of Coxinga in the second battle gave the victory to the Dutch.

The subjects, or adherents, of Coxinga withdrew from the coast of China in two hundred and sixty vessels : but the place of their retreat was unknown to the Dutch.

The Dutch believed they should now find no difficulty in recovering Formosa ; and therefor, leaving the improvement of their victory to their Tartar-Chinese allies, who had done nothing at all towards obtaining it, they sailed for that island. But there they were so ably opposed by Coxinga's uncle, Savia *, and afterwards by his son, Tching-king-may, that they were obliged to give up the attempt, and return to Batavia.

* Savia was a great Chinese merchant, so exceedingly rich, that his treasure was the chief means of supporting the military expenses of

Coxinga. [*Report of the Company to the States-General in the year 1664, in Thevenot's Voyages curieux, V. ii.*]

Tching-king-may died soon after, and left his dominions to his son, Tching-ke-san, an infant. Though no attack appears to have been made upon him, either by the Emperor of China or the Dutch, during his minority, he resolved, when he came of age, to resign his dominions to the Emperor. In this resolution, so unworthy of the spirit of his ancestors, he presented himself in the year 1683 before the Emperor, who accepted his resignation, and settled a pension upon him as an abdicated Prince. The Emperor, having thus made an easy acquisition of Formosa, sent a strong body of troops to occupy it: and neither the Dutch, nor any other nation, have ever made any attempt to wrest it out of his hands.

While the interest of the Company was suffering by the disastrous events of the war in Formosa and upon the coast of China, they were not forgetful of the constant object of their wishes, the expulsion of the Portuguese, and, indeed, of every rival, from all parts of India; and in that they were more successful.

In the year 1663 they sent a fleet to the coast of Malabar under Commodore Goen, who took Caulan, Cananore, and Cochin, from the Portuguese. On the arrival of a reinforcement from Batavia, the Rajah of Porca requested to be permitted to become the vassal of the Company on paying the same tribute that he had paid to the Portuguese. Cranganore submitted: and the Zamorin of Calicut, the King of Cochin, and some other Princes of the coast, were admitted to be the Company's allies. Thus were the Portuguese in one season expelled from the coast of Malabar, whereby the sovereignty of a great part of it, and the trade of the whole, were transferred to the Dutch.

In the end of the year 1666 the Governor-general of Batavia, alleging some cause of complaint against the King of Macassar, sent a fleet against him. The Dutch, after plundering the country, sailed for Boutan, which was then invaded by the army and fleet of Macassar: and, having defeated them, they sent 5,500 of the prisoners to cultivate a desert island, made slaves of 400, and made a present of 5,000 to the Rajah of Palacca, their ally.

The King of Macassar, who was a man of judgement and enterprise, persuaded all the neighbouring Princes to unite their forces, and make a gallant stand for their liberties against the common enemy. At the head of this confederacy he appeared so formidable, that the Governor-general found it necessary to make extraordinary preparations against him, and to call upon all the Company's allies, or tributaries, in the islands to assist him with their troops and vessels. Speelman, the Dutch Admiral, had under his command thirty Dutch and Indian vessels, and twelve thousand men, mostly Indians. The

King of Macassar and his allies mustered an army of twenty thousand men. But the superiority of European artillery and discipline soon decided the fate of the war: and in November 1667 the allies were obliged to submit, and send Ambassadors to Batavia to make terms as well as they could with the Governor-general.

By the final conquest of Macassar and the neighbouring states the English and Portuguese were not only completely excluded from residing in those territories, but also from obtaining the spices, brought from the islands, which produce them, to Macassar and the neighbouring ports, where they used to find opportunities of purchasing them: and thus was the monopoly of that pretious merchandize more completely secured to the Dutch Company than it had hitherto ever been.

In the mean time the Company's charter was near expiring; and it was not without some difficulty, and the payment of a large sum of money, that in February 1665 they obtained a renewal of their privilege, which was to be in force till the last day of the year 1700.

As many people, who envied the prosperity of the Company, and of their servants, whom they saw return from India with large fortunes, insisted that a very enormous premium should be required for the renewal of their charter, they took occasion to explain to the States-General, that their commerce was exposed to very great losses, great expense for convoys during the war, and, after all, to captures by the enemy, and to much uncertainty of the seasons in India, which in some years occasioned a total failure of the crops of particular spices: they stated the expenses of their civil, military, and ecclesiastical establishments at above three millions and a half *, besides the great expense of maintaining wars against their European and Indian enemies. The wealth acquired by their servants, whether obtained from the Company, or by their own private trade, was all clear gain to the country, as those gentlemen always chose to return home to enjoy their fortunes. The duties paid upon their imports and exports were also clear gain to the State, as was also all the revenue derived from the many branches of trade connected with, and flowing from, their trade, and the revenue derived from the consumption of the many thousands of people, to whom their trade, and the innumerable branches of foreign and domestic trade and manufactures depending upon it, gave employment. Therefor, as

* This account being taken from Thevenot's French translation, wherein the sum is given in livres, and the total erroneously printed

9,335,000 instead of 3,635,000, it is uncertain which is the exact real amount.

the emoluments derived by the State from their trade vastly exceeded those which the partners of the Company received in their private capacity, they might with the strictest truth be considered as *conducting a very extensive business much more for the benefit of the Public than of themselves.*

The following is the account of the settlements belonging to the Company at this time, as described in their report, presented to the States-General on the 22d of October 1664.

Amboyna, with its subordinate islands, which supply the whole world with cloves.

The Banda Islands, which produce nutmegs and mace.

Puloo Roen, ceded by treaty to the English Company, who have not yet taken possession of it.

Ternate and the other *Molucco islands*, which formerly produced the greatest quantity of cloves: but the trees have been extirpated. The Spaniards have lately abandoned their settlement on these islands.

Macassar and *Manado*, both near the southern extremity of the island of Celebes. The King of Macassar has expelled the Portuguese agreeable to treaty.

In the island of *Timor* a garrison. The few Portuguese remaining in the island are poor.

In *Rima* there is a little trade in rice and sapan wood.

At *Martapura* in Borneo the Company purchase some pepper and gold.

In *Sumatra* the Company possess *Jamby*, *Patimbuan*, and *Andrigiri*. They have a contract for the sole purchase of all the pepper produced on the west side of the island. The factory of Acheen is given up.

Malacca, a town lately taken from the Portuguese, is too extensive. It is proposed to contract the boundaries of it, in order to lessen the expense of the garrison. *Tanacerim* and *Guadiansalang* are posts dependent upon the government of Malacca.

The factory in *Siam* has lately been withdrawn on account of some offence given by the King, who has made an apology.

For the same reason the factory is withdrawn from *Ligor*, a place producing tin.

At *Aracam* the Company purchase rice and slaves.

Tonquin has been distressed by inundations, which have destroyed the silk. It is now recovering, and a factory is to be established. A good deal of gold, brought from Yunan in China, is bought there.

From

From *Japan* the Company receive only silver and copper, the Emperor having prohibited the exportation of gold. The trade with Japan has lately been attended with the loss of several ships.

It is expected that the Emperor of *China* will permit the Company to have a free trade, in consideration of the important service they have done in delivering him from so formidable an enemy as *Coxinga*. The Company's people have been directed to fortify some of the islands lately occupied by *Coxinga*.

In *Coromandel* the Company have a very important trade in cotton goods, which are sold partly in India and partly in Europe. They are bought at *Pulicate*, where the Governor resides, at *Negapatan*, a town lately taken from the Portuguese, at *Masulipatan*, with its dependent posts at *Palicat*, *Datcheron*, *Bincolapumet*, *Tequenpatan*, and some small posts.

In *Pegu* there are posts at *Ava* and *Serian*. The trade of that country has lately been interrupted by invasions.

In *Bengal* the Company have factories at *Hooghly*, *Cossimbazar*, *Dacca*, *Patna*, *Pipilipatan*, &c. and drive a great trade in silk goods, cotton goods, saltpetre, sugar, musk, rice, butter, &c.

In *Orissa* some rice and other provisions are purchased for the supply of the garrisons in *Ceylon*.

Ceylon is one of the most valuable possessions of the Company. It produces the best cinnamon, elephants of a superior quality, areka, &c. The company have 2,500 soldiers in garrison at *Columbo*, *Punta de Gallo*, *Negumbo*, *Manar*, and *Jafnapatam*.

At *Tutacouri*, on the coast opposite to *Ceylon*, the Company have a trade in cotton goods, and a fishing for pearls.

In *Malabar* the Company have *Cochin*, *Cranganore*, *Coulam*, and *Cananore*, all taken from the Portuguese, in the garrisons of which they have above a thousand soldiers. The country produces pepper and cinnamon of an inferior quality. The Zamorin of *Calicut* and the other Princes have contracted with the Company to sell all their pepper to them. At *Porca* the Company have succeeded to all the rights and powers which the Portuguese had there. The English have been warned to withdraw from this station, but have not yet done it.

The factory at *Surat* has the charge of the trade of *Hindoostan* and *Guzerat*, which is very considerable. There are dependent posts at *Amadavad* and *Agra*.

In *Persia* there is an advantageous trade, the chief seat of which is at *Gombroon*, with a dependent post at *Ispahan*. The Company have bound themselves

themselves to take six hundred bales of silk every year from the King of Persia at a fixed price, which they find an unprofitable article; and therefore they endeavour to diminish the quantity *.

The factories at *Mocha* and *Bassora* were given up: but that of *Mocha* has lately been resumed upon promise of more advantageous terms of trade.

The settlement at *the Cape of Good Hope* is merely intended as a place of refreshment for the ships on their outward and homeward voyages; and it abundantly answers that purpose.

The island of *Mauritius* † was some time ago abandoned: but the Company have lately sent people to re-occupy it.

In the island of *Java* the province of *Mataran* supplies a prodigious quantity of rice. There is a factory at *Japara*. *Batavia*, the capital of all the settlements belonging to the Company, becomes more populous every year. The adjacent country produces rice, sugar, and all kinds of fruits, pot-herbs, &c.

Such were at this time the extensive and valuable territories occupied by the Dutch Company in the Oriental Seas.

The Government of *Batavia* took an opportunity of a disputed succession in the kingdom, or empire, of *Java* to interfere in the contest. In the year 1677 they persuaded the Prince, whose interest they had espoused, to fix his residence at *Kattasura*, where they built a fort, and stationed a strong garrison; and they even undertook to guard his person, whereby he in fact became their prisoner, though they still continued to treat him with all the exterior marks of respect and submission, such as pompous embassies, presents, &c. The King of *Bantam*, the only Prince in the island who did not acknowledge the supremacy of this Emperor, and had lately sent an embassy to the Court of Great Britain, took every opportunity to thwart the measures of the Dutch Company, who, however, soon found means to reduce his country also to a state of dependence. This Monarch, being well advanced in years, placed his favourite son upon the throne, in order to prevent those disputes for the succession which are very common in the East. The young King turned out such a tyrant, that his father repented of his choice, and wished to resume the sovereignty; but the young man refusing to resign, he besieged him in *Bantam*. The young King, almost universally deserted, thereupon solicited the assistance of the Dutch, which was immediately granted, and the old King was

* This was effected by presents to the King and his ministers.

† Now called the Isle of France.

soon defeated, and made a prisoner. The Dutch allies immediately took possession of Bantam, and plundered the English and Danish factories, in the former of which they found gold, jewels, and other property, to a vast amount. They also recommended a Dutch Prime Minister to their King, and never rested till they got the English and Danes driven out of the country, which was accomplished in the year 1683, after which they have had all the pepper in the island upon their own terms. Some subsequent insurrections afforded a pretence for augmenting the Dutch guards, and building a fort for their residence, by which the harbour and the city are completely commanded.

The Company, in a steady prosecution of their plan of driving every European nation out of India, besieged the French settlement of Pondichery with a very formidable military and naval force, and obliged the French commander to surrender the place to them on the 6th of September 1693. They immediately set about fortifying it, which they executed in the strongest manner. But, quite contrary to their expectation, they were obliged to restore it, with all its improvements, to the French Company by the treaty of peace concluded at Riswick in the year 1697.

On the 11th of August 1698 the Company obtained from the States-General a new charter, to continue from the 1st of January 1701 till the end of the year 1740, on paying a large sum of money, which they could very well afford, as their trade had been upon the whole exceedingly prosperous for many years bypast.

On the last day of the year 1721 the Dutch Government at Batavia got information of a conspiracy for the total extirpation of all the Christians of every description in Java, which was to have been carried into effect on the very next day. The chiefs of the conspirators were Catadia, a Javanese, and Erberfeldt, a citizen of Batavia, the son of a Dutch father and a Mohamedan mother, who was to have been King of Batavia, if the plot had succeeded. The King of Bantam, to whom they had made some overtures to procure his co-operation, chose rather to befriend the Company, to whom he was indebted for the support of his power, and even the protection of his person; for he could not venture to live among his own subjects without a guard of Dutch soldiers. He therefor gave them all the intelligence he was master of, by which they were enabled to seize the principal conspirators without any disturbance, and take effectual precautions against any efforts of their accomplices. About twenty of the criminals were put to death in April 1722 with an extraordinary parade of horrible execution, which, it was alleged, was necessary to strike terror among people who think nothing of seeing a person put to death by any simple process.

Erberfeldt's

Erberfeldt's house was destroyed, and a column erected upon the spot, with an inscription in five languages, briefly relating his crime, and declaring that no house should ever be built there again. The Governor and Council then prudently desisted from any further prosecution of the conspirators, whose names had been revealed to them, that they might avoid driving the people to desperation.

The next event of importance which occurred in Java was another conspiracy to extirpate the Dutch, and take possession of their property, projected by the Chinese inhabitants of Batavia, who were said to be able to muster ninety thousand men. There were not wanting some, however, who ventured to assert that it was rather a conspiracy of the Dutch against the Chinese, to whom they owed very large sums of money. On the 8th of October 1740, and the following day, there was a dreadful massacre of the Chinese; and the quarter of the town occupied by them was burnt to ashes, being set on fire, as was said, by themselves in despair. The number of the Chinese slaughtered on this occasion was estimated at twelve thousand, but, according to some accounts, not fewer than thirty thousand; and the amount of property plundered from them was prodigiously great *. Whether the Chinese began the work of death by attacking the Dutch, or the Dutch, by attacking them, it appears that the apprehension of danger from the Chinese was very soon got over; for they were, almost immediately after, encouraged to settle in as great numbers as before; and so strong is the thirst of gain among the Chinese, that they did not seem to be afraid to trust their lives and properties to the *protection* of the Dutch Government.

After the destruction of the Chinese, the Government of Batavia thought it necessary to send an embassy to the Emperor of China, in order to represent the necessity of the unfortunate event, with a view to prevent him from revenging the slaughter of his subjects upon the Dutch at Canton. But the Ambassador was most agreeably surprised upon being told, that the Emperor took no concern in the fate of unworthy subjects, who had abandoned their native country, and the tombs of their ancestors, to live under the dominion of foreigners for the greed of gain †.

Long

* The official account of this horrid affair, which was brought to Holland in July 1741, was very far from being clear or satisfactory; nor has any better account ever been given to the Public. The Governor, two members of the Council, and the fiscal, were deprived of

their offices, and put in prison, in which the Governor remained till the day of his death. The property, which he shipped for Holland, was said to amount to half a million sterling.

† With all due deference to the celebrated wisdom of the Chinese Government, it may be doubted

Long before the expiration of the charter, the Company solicited a renewal of it, which the States-General, for reasons not known, for a long time refused to grant, and, after all, they only gave them a prolongation of one year, viz. from the beginning to the end of the year 1741. They remained without any proper renewal till September 1748, when they obtained a prolongation of their privilege till the year 1775.

In the year 1764 the jealousy between the Dutch and the Rajah of Ceylon (or Emperor of Candy, as he is called) which had often broken out in petty hostilities, brought on a great and serious war. The Dutch penetrated into the heart of the country, and got possession of Candy, the capital city, which the impossibility of keeping up a communication with the coast soon obliged them to evacuate, with the loss of four hundred of their best soldiers, who were cut off in their retreat by the Candians.

The command of the supply of salt accomplished for the Dutch what their military superiority could not effect. In the year 1766 the Rajah was compelled by the want of that important article to cede to them some inland districts, and also that portion of the coast which had never been occupied by the Portuguese, whereby the unfortunate Prince was cut off from all communication with other parts of the world, and reduced to the condition of a prisoner in a large prison. He also became bound to pay them an annual tribute of pretious stones, ivory, areka nut, betel leaf, and elephants; to deliver all the marketable produce of the island to them at stipulated prices; and to allow no strangers to come into his dominions. In return for these ample concessions the Dutch engaged to supply the Rajah with salt sufficient for the whole consumption of his country without any expense, and to pay him a certain part of the produce of the maritime country now ceded to them: and, in order to flatter his vanity, they gave him the title of Emperor of Candy, and even called themselves his dutiful subjects.

The possession of the territory, acquired by means of this treaty, put into the hands of the Dutch the valuable fishery for pearls on the west side of the island.

This oppressive treaty was followed by a long succession of petty hostilities, in which the Dutch were generally successful, though they never were able completely to subdue the Candian mountaineers. At length, both parties being convinced of the inefficacy of their struggles, they sunk into a state of inactive mutual hatred.

doubted whether they ought not to encourage emigration, as the number of their people is so very much beyond the power of the country to

feed them, that the horrible crime of child-murder is publicly tolerated.

About

About the same time the Company's forces in Java were employed in a war, which carried their dominion in that island to the greatest extent. The district of Balambuang, at the east end of the island, which had never hitherto attracted their attention, was now invaded, and, after a warfare of two years, was subdued in the year 1768. The unfortunate Sovereign of this country and his family were transported to the Cape of Good Hope.

In the year 1775 the Company's charter was allowed to expire. Their trade had been for some time in a declining state, which had obliged them to reduce their dividends from *twenty* to *fifteen*, and afterwards to *twelve and a half*, per cent; and they were unable, or at least not willing, to pay such a large premium as they had usually done for the renewal of their privilege. The States-General, having taken time to examine the affair, consented in the year 1776 to renew their charter for thirty years for a payment of two millions of florins, together with a further payment of 360,000 florins every year. In consequence of the renewal, the Company's stock immediately rose nineteen per cent.

The misfortunes of the Company were increased by the war with Great Britain. In July 1781 Commodore Johnstone took and destroyed five of their homeward-bound ships and one of their outward-bound. In November Sir Edward Hughes and Sir Hector Munro took Negapatan; and thence they proceeded to Ceylon, where they made themselves masters of Trincomalee, the port of which is a very valuable acquisition in time of war, being the only shelter for ships in stormy weather in the whole extent of the Bay of Bengal. But this important station almost immediately after fell into the hands of the French Admiral Suffrein.

By these and other similar disasters, by the great increase in the expense of their Oriental establishments, by the great diminution of the demand for spices, owing to the change of taste or fashion in Europe, and by the ascendancy acquired by the English East-India Company, together with the advantages which the Danish and Swedish Companies enjoyed in virtue of their neutrality, the formerly-prosperous condition of the Dutch East-India Company was now so far reduced, that the States-General, amidst their own distresses, were obliged to assist them with very large loans*.

Before the Company could recover from the disasters of the short war of two years, in which the States were engaged, they were involved in the distresses

* When Lord Macartney was at Batavia in the year 1793 on his way to China, many of the houses in that capital were unoccupied, many of the vessels in the harbour were lying un-

employed, and, for want of ships of force, their navigation was annoyed by the petty pirates of India. [*Staunton's Account of an Embassy to China*, V. i, p. 316.]

of another more ruinous one, occasioned by the revolution in France. In August 1795 the important station of Malacca was taken from them by the British forces; and in the following month General Clarke and Admiral Elphinston reduced the colony at the Cape of Good Hope, where every kind of property belonging to the Company was seized by the conquerors, though they permitted the Church, the public institutions, and all individuals, to retain every thing belonging to them. Soon after, all the Dutch forts and territories in the valuable and important island of Ceylon were also reduced by the British forces.

In the beginning of the year 1796 Admiral Rainier took possession of the two governments of Amboyna and Banda, each consisting of a cluster of islands, which have been esteemed the most valuable possessions of the Company by being (if their orders could controul the bounty of the Father of the universe) the only spots in the world producing cloves, nutmegs, and mace.

These accumulated disasters destroyed the Company's trade, and put an end to the regular payment of dividends to the partners, who, after the year 1796, received nothing till 1799, when they got what was in arrear, and were informed that they could receive no more, so long as their affairs should continue in the deranged state, to which they were now reduced.

During the cessation of hostilities, which took place in October 1801, all the Oriental settlements, which had been taken from the Dutch, were restored to them, except Ceylon. But, since the renovation of the war, they have all been retaken.

The Dutch Company owed their splendid prosperity and long-unrivalled power, partly to their own steady perseverance in a sagacious system of commercial enterprise united with a spirit of conquest, in the prosecution of which they were not very scrupulous with respect to the justice of their proceedings, but much more to the degenerate state of the Portuguese in India, who in the seventeenth century were almost as much inferior to the Dutch in military prowess as the Moors and Indians were in the sixteenth to them. Instead of being at the trouble and expense of soliciting permission from the native Princes to erect forts, and paying high prices for the ground and materials, as the English Company were obliged to do wherever they made any settlements, the Dutch, by carrying on a continual, and generally successful, war against the Portuguese, got possession of forts, houses, and magazines, ready built, provided with artillery and stores of every kind, and generally accommodated with a district of adjacent territory; and, instead of coming under subjection to the native Princes, they immediately assumed the same superiority over them, which

which the Portuguese had exercised. They were also enriched by the seizure of a vast number of Portuguese vessels, many of them richly loaded; and it was to these captures, by which the naval power of their enemies was also completely destroyed, and not merely to the flourishing state of their commerce, that they were indebted for their enormous dividends of fifty, sixty, seventy-five, and in one year (if there is no mistake in the account) one hundred and thirty-two and a half, per cent, which they made in the early years of their existence.

They did not aim at the universal conquest, which the Portuguese aspired to; nor did they, like them, pretend to compell the natives of India, the most unconvertible people in the world, to conform to their religious doctrines. They constantly professed to them, that their only desire was to carry on a peaceable trade, and to deliver them from the oppression of the Portuguese. When they did make war upon the natives, it was only for the sake of their commerce; and all their treaties were for securing the monopoly of the trade of the countries they subdued, or forced into a dependent alliance, without pretending to encroach in any other respect upon the authority of the Princes, whom they affected to treat as their Sovereigns, or presuming to interfere in regulating the religion, laws, or conduct, of the people.

Spices long continued to be the most important articles of Indian commerce; and the monopoly of them, which the Dutch Company got into their hands, gave them in a great measure the command of the sale of India goods in Europe; for, as the merchants of every country in Europe were obliged to attend their sales, personally or by the agency of Dutch merchants, for the purchase of spices, they took the opportunity of supplying themselves at the same time with complete assortments of all other kinds of Indian produce and manufactures. But Europe was not the only market for the Company's spices: in every part of Asia they were in request to a very considerable extent; and the Dutch, by carrying spices to the various ports, found means to establish themselves in an universal carrying trade throughout the whole of the Indian Ocean; a trade, which made a prodigious addition to their maritime power by employing a great number of vessels and seamen, ready at all times to fight their battles, and defraying the expense of them during the intervals of warfare from commercial resources.

At home the Company were treated much more favourably by the States-General than the other East-India Companies were by their Governments. The charters of their privileges were renewed for periods of twenty-one, thirty, thirty-five, and even forty, years; and the sums demanded for the renewals
may

may be reckoned moderate, when the great profits made by the Company are considered. They were not troubled with any interference of Government in regulating their sales or their dividends; and there was no prohibition of the consumption of the goods imported by them.

These advantages were in later times overbalanced by several disadvantages. The national valour, which shone so bright in shaking off the Spanish yoke, and was so successfully exerted against the Portuguese in India, seems to have evaporated after the great objects of establishing the independence of the States and the expulsion of the Portuguese from the dominion of India were accomplished. The people employed to manage the Company's business in India became less attentive in the execution of their duty, and seldom scrupled to sacrifice the interest of their employers to their own, which conduct they justified, at least to their own satisfaction, by the consideration of the very inadequate salaries allowed them by the Company. Every sentiment of honour and patriotism was swallowed up in the most sordid avarice *, accompanied by an extravagance of dissipation and ostentatious parade, which, it was alleged, was politically necessary for dazzling the eyes of the natives. The pre-eminence of nautical skill, which contributed very much to raise the Dutch republic to independence and power, was almost extinguished: men were appointed to offices in ships without being qualified to do their duty; and the improvements in naval regimen, by which prudent commanders provide against the inconveniencies, and guard against the mortality, formerly inevitable, in long voyages, seem to have been scarcely ever known to the Dutch navigators †. Neither were the Company better served by their military men, most of whom were not Dutchmen; for like the antient Tyrians, with whom they had many other points of resemblance, they made a practice of employing foreign mercenaries, who did not conceive that they were guilty of any breach of duty, if, after serving out the time for which they had engaged, they immediately transferred their services to the enemies of their former masters ‡.

The

* There have been more than one instance of a Governor-general returning from India with a fortune exceeding the whole original capital of the Company.

† Stavorinus, a Dutch Admiral, after observing, that many of his people died in an East-India ship, which he commanded, among whom was his second lieutenant, says that, he himself being very ill, the whole duty devolved

upon his first lieutenant, 'who was obliged to be ' on deck both day and night, as neither of the ' two officers next in rank were fit for serving ' in the capacities they held, and were even ' hardly acquainted with the compass.' [*Stav- orinus's Voyages*, V. i, p. 52.]

‡ After the British troops landed in Ceylon, Colonel de Meuron with his Swiss regiment, having completed the term for which they had engaged,

The first impressions of joy and gratitude, which the Princes of India felt for their deliverance from Portuguese slavery, were universally effaced by the melancholy experience, that they had not recovered their independence, but only changed their masters; and, though the change was in most cases somewhat for the better, it was natural for them to wish to throw off the yoke. Their attempts, or even the apprehension of them, obliged the Company to increase their military establishments, when the reduced demand for spices (the chief articles of their trade), and the competition of other European Companies, had rendered them less able than formerly to support the expenses of their settlements *. Like their predecessors, the Portuguese, they have fallen into the error of thinking that, the more settlements they had, the more they should prosper, whereby another heavy addition to their expenditure was incurred: for, with all the commercial prudence, for which we usually give them credit, they certainly have acted imprudently in keeping up many posts, which ought to have been abandoned †.

At home the interest of the Company suffered by the division of the business among the six different chambers, each of which had their own separate interests interfering with those of the others, and by supporting a great number of clerks and other officers, attached to the various establishments, beyond what would have been necessary for one single central seat of supreme management. The Directors also became remiss in their duty, trusted the uncontrouled management of the Company's business to their secretary, and contented themselves with signing the papers, which he prepared for them.

A community so constituted must inevitably have gone to ruin, even without suffering the calamities of war.

engaged, entered into the British service, and assisted in subduing their former employers: and, after the reduction of Columbo, the whole of the Malays in the garrison also entered into the British service. Colonel Raymond, the only brave officer in the garrison, was a Frenchman. [*Percival's Account of Ceylon*, pp. 91, 92, 95, *first edition*.]

* Before the spice islands were taken by Admiral Rainier, the expense of their garrisons, &c. exceeded the profits made by the spices.

† This erroneous conduct of the Dutch was noticed in the year 1616 by Sir Thomas Roe, Ambassador from King James to the Great Mogul, in his letter to the English East-India Company. [*Purchas's Pilgrimes*, L. iii, c. 17, p. 590.]

THE COMMERCE OF THE ENGLISH WITH INDIA.

THOUGH the English were only the third European nation, in order of time, who effectually engaged in the commerce of India, they were next to the Portuguese in perceiving the importance of conducting the valuable trade with that country entirely by sea. As the great objects of the Portuguese were to bring home their India goods at a lighter expense of carriage than the Venetians paid upon theirs, and to avoid the dangers and arbitrary impositions to which traders are exposed in traversing the territories of a great number of despotic Sovereigns, so the English proposed to search for a route, which should be shorter, and consequently cost less time and money, than that which the Portuguese had so long been labouring to discover.

In the beginning of May 1497 Giovanni Gavotta (or John Cabot), a skilful and enterprising Venetian navigator, who had for some time resided in England, being commissioned by King Henry VII, who put two vessels under his command, and having also the direction of some vessels fitted out by the merchants of Bristol, sailed on a voyage of discovery, the object proposed by him, as well as by Christopher Colon, being to find a western passage to India, which no European had yet been able to accomplish by sea in any direction*. As Colon had attempted it by sailing to the south-westward, Gavotta endeavoured to make his passage by keeping more to the northward, but was prevented from proceeding in that direction beyond the latitude of $67^{\circ} 30' \dagger$ by the

* Gavotta sailed about two months before Gama departed from Lisbon on his more successful voyage, as is evident from his son Sebastian's note in a map drawn by him, and cut (engraved) by Clement Adams, and also by the contemporary testimony of Alderman Fabian. Notwithstanding these unquestionable authorities, later writers have dated his voyage in 1496, 1498, and 1499.

† Ramusio, in the second and the third volumes of his Collection of voyages, gives discordant accounts of Gavotta's highest latitude. He got $67^{\circ} 30'$ as the nearest approach to the north pole (which the ships reached on the

11th of June) in a *letter* from Sebastian himself, who could not mistake the altitude taken by his own observation: and so it is stated by Sir Humfrey Gilbert in his discourse upon the north-west passage, written in the reign of Queen Elizabeth, and published by Hakluyt [*V. ii, p. 16, ed. 1600*]. The other latitude, 56° , is taken from a *conversation* Ramusio had with Galeacio Butrigario, who had been the Pope's legate in Spain, and reported *by memory from a conversation* with Sebastian, while he was in Spain, long after the voyage; and it may be observed, that in this information from memory the voyage is also erroneously dated in 1496.

mutinous

mutinous spirit of his men, which obliged him to bend his course more to the southward, in consequence of which he fell in with Newfoundland and the continent of North America. [*Fædera Angliæ*, V. xii, p. 595—*Hakluyt's Voyages*, V. iii, p. 6, ed. 1600.]

Gavotta was accompanied by his son Sebastian, a youth of a genius similar to his own, who, finding no further employment for his talent of nautical research in England, made some voyages of discovery in the service of Spain; after which, probably from a predilection for the country in which he had passed some of the early years of his life *, he returned to England, where in January 1548-9 King Edward VI recompensed his services with an annual pension of £166 13 4 †. Inheriting his father's belief of the possibility of accomplishing a passage to India by a shorter navigation than doubling the southern extremity of Africa, he persuaded a number of merchants ‡, with whom several noblemen of the Court also joined, to contribute a capital of £6,000, in shares of £25 each, for the purpose of prosecuting the discovery in the north part of the world, and laying in a cargo of such goods as, they thought, might be suitable for the countries they expected to arrive at. Such was the capital of, apparently, the first chartered joint-stock Company in England, with which they proposed to begin an East-India trade: but at that time £6,000, though containing only about the same quantity of the pretious metals that is contained in that sum in the present day, was a very respectable capital.

The Company having obtained the King's charter, a code of instructions for conducting the intended voyage for Cathay (China) was drawn up 'by the
' right worshipful Master Sebastian Cabota Esquier, Governor of the Mysterie
' and Company of Marchants adventurers for the discoverie of regions, dom-
' inions, islands, and places, unknown;' and on the 9th of May 1553 it was delivered to Sir Hugh Willoughby, who was chosen commander in chief of

* Some writers call Sebastian a native of England. But, according to Galeacio Butrigario, Peter Martyr of Angoleria, and Francis Lopez de Gomara, he was born in Venice, and accompanied his father to England when very young. [*See these authors transcribed by Hakluyt*, V. iii, pp. 7, 8, 9.]

† The grant of the pension is published by Rymer [*Fædera*, V. xv, p. 181] and also by Hakluyt [V. iii, p. 10, ed. 1600] who calls it large (as it certainly was) and says, in the title of the grant, that he is thereby constituted grand pilot of England. No such word ap-

pears in the grant, nor anywhere else, that I have found, except in this title of Hakluyt's and the works of his numerous transcribers.

‡ The principal partners, besides Sebastian Cabota, the Governor of the Company, were Andrew Judd, George Barnes, William Gerard, and Antony Huse. [*Camdeni Annales Elizabethæ*, ad an. 1567.] The names of the other principal partners, appointed assistants, and the appointment of Sebastian Cabota to be Governor for life, may be seen in the charter granted to the Company by Philip and Mary in February 1554-5. [*Hakluyt*, V. i, p. 267.]

the ships. Passing over the directions for the government of the ships' companies, I shall only observe, that the inferior merchants are required to make no trade without the consent of the captains, the Cape merchant, and the assistants, or four of them, whereof the Captain-general, the Pilot-major, and the Cape merchant, to be three; and every petty merchant is to show his reckoning to the Cape merchant.—Accounts to be presented to the Governor, consuls, and assistants, in London in good order, that the King may have what is due to him for his grant of corporation, and the Company may have what of right belongs to them.

Cabota, who was probably a protestant, detesting the horrid butcheries committed by the Spaniards and Portuguese in their pretended zeal for the conversion of savage nations, directed that no contempt should be shown to the religious rites of the nations they should discover, and that no attempt should be made to induce them to change their religion.

All affairs respecting the voyage, merchandize, &c. were to be managed by a council of twelve, whereof the first in rank was the Admiral, the next Captain Chancellor, then George Burton Cape merchant, next to whom was the minister or chaplain, &c.

On the 10th day of May the Company dispatched their squadron, consisting of

the Bona Speranza, of 120 tuns,	Sir Hugh Willoughby, Admiral,
the Edward Bonaventure 160 ———	Richard Chancellor,
the Bona Confidentia 90 ———	Cornelius Durfoorth.

Sir Hugh Willoughby, with his whole ship's company, was frozen to death in the Northern Ocean near the coast of Lapland *. Captain Chancellor got into the harbour of Saint Nicolas at the mouth of the River Dwina, where Archangel was afterwards built. Thence he traveled to the court of Ivan Basilowitz, the Grand Duke, Czar, or Emperor, of Russia, who, being desirous, for many reasons, of promoting a direct friendly intercourse with England, received him very favourably, and granted many commercial privileges to the English, which encouraged the Company to continue the trade. This was the origin of the RUSSIA COMPANY, who remain to the present day, as a regulated Company.

* When the weather became moderate, the fishermen of the country found the body of Sir Hugh, sitting in his cabin as he was writing his journal, which, with his will, also

found beside him, showed that he was alive in January 1553-4. His journal is published by Hakluyt.

A great number of other voyages for the discovery of the supposed passage to India by the northern parts of the world were afterwards made, partly by the same Company, partly by other societies of adventurers, and partly by Government. Nor was the impracticability of it ever demonstrated, till the late journies of Hearne and Mackenzie by land, through the very space, which the supposed open sea was believed to occupy, have unquestionably proved that no such passage can be made in any climate, wherein the sea can be free from ice. The expeditions for the discovery of a north-west passage gave rise to the HUDSON'S-BAY COMPANY, who still carry on a prosperous trade.

Why the English merchants, who, as protestants, surely did not acquiesce in the Pope's donation of all the unchristian parts of the world to Spain and Portugal, when they found that a northern passage, if at all practicable, must be exceedingly precarious and dangerous, did not at once send their ships to India by the Cape of Good Hope, does not appear. But we find that Thomas Smith and Richard Staper, merchants in London, and the principal members of the TURKEY COMPANY, established by charter in the year 1581, wishing to engage in the trade to India, and apparently resigning the passage by the Cape as the property of the Portuguese, attempted to participate in the overland trade with the Venetians, who, notwithstanding the superior advantages enjoyed by the Portuguese, still kept up factories in many parts of Persia and India. With this view these gentlemen engaged M^r Newbery, who had already made some journies into the East, M^r Fitch a merchant of London, M^r Leedes a jeweler, and M^r Storie a painter, to undertake a journey of commercial and scientific discovery, who, being provided with letters from Queen Elizabeth to several of the Oriental Princes, sailed in the year 1583 from London for Tripoli in Syria. From Tripoli our travelers proceeded to Bagdad, and thence down the River Tigris and the Persian Gulf to Ormus, where they embarked for Goa. Thence they traveled to Agra, then the residence of the Great Mogul, who detained Leedes in his service; Newbery died in India; and Fitch proceeded to Bengal, Pegu, Ceylon, and Cochin, then esteemed the principal country for pepper; and thence he returned by Goa, Ormus, and Aleppo, and arrived in London in April 1591 *.

* Minute accounts of Newbery's and Fitch's travels and observations may be found in Hakluyt's and Purchas's collections. In those days pretious stones were in higher estimation than they are at present, and therefor a jeweler was necessarily one of the party. The ap-

pointment of a painter, apparently for the purpose of bringing home representations of interesting objects of nature and art, justifies me in calling this a journey of scientific, as well as commercial, discovery, which certainly does great honour to all concerned in it.

About the same time that this spirited effort was made for obtaining the knowledge necessary for engaging in the India trade, some information was acquired, and even an actual commencement of trade made upon a small scale, by Sir Francis Drake and Captain Candish, the two first English circum-navigators of the Globe, in expeditions undertaken merely for warlike purposes *. A good deal of knowledge was also obtained from the accounts and documents found onboard the *Saint Philip*, a Portuguese carrak, taken on her passage from India by Sir Francis Drake in the year 1587.

In consequence of the information now acquired respecting the Oriental trade, three ships, under the command of Captain Raymond as Admiral, were fitted out for India by the chief members of the Turkey Company, and sailed in April 1591. But, England being then at war with Spain, the voyage degenerated into a privateering adventure, mostly against the Portuguese, then subjects of Spain. One ship returned home without passing the Cape of Good Hope: the Admiral ship disappeared in a storm near Cape Corientes, and was never more heard of: Captain Lancaster in the remaining ship reached India, and got a cargo of pepper, and other spiceries at Sumatra and Ceylon. On his return he sailed for the West Indies, in hopes to get a supply of provisions; and, after suffering many hardships, he entirely lost his ship, which was blown from her anchor at the island of Mona near Hispaniola with only six men on-board, while he, his lieutenant, and seventeen men, were in search of provisions in the island. They got passages to Europe in several French vessels; and Captain Lancaster, with his lieutenant, arrived in England in May 1594. [*Hakluyt*, V. iii, part ii, p. 102. See also part i, p. 571.]

On the 7th of January 1592-3, on a renewal of the Turkey Company's charter, the Queen granted them, along with their other privileges, the exclusive trade over-land between England and India. [*Chart. ap. Hakluyt*, V. ii, p. 295.]

In the year 1596 Sir Robert Dudley and some other gentlemen fitted out three ships for China; and Queen Elizabeth sent a letter with them to the Sovereign of that country. This expedition was even more unfortunate than the preceding one. After taking three Portuguese ships, they were so dreadfully reduced by sickness, that out of their three ships' companies there remained only four men alive, who were cast on shore on a small island near Puerto-Rico, where three of them were murdered by a party of Spaniards for the sake of the treasure they had with them; and only one survived to relate

* Drake returned to England in the year 1580, and Candish in 1588.

the melancholy tale to the Spanish officers of justice, soon after which he was poisoned by the same robbers who had murdered his shipmates. [*Hakluyt*, V. iii, p. 852.—*Purchas*, L. iii, c. 1, § 2.]

Since the commencement of the navigation to India by the Cape of Good Hope, the English had received India goods chiefly from the Portuguese, and a few, by means of the Turkey Company, from the ports at the east end of the Mediterranean sea. But the war with Spain, which began in the year 1587, prevented all intercourse with Portugal, then a part of the Spanish dominions, and rendered the navigation of the Mediterranean dangerous and intolerably expensive. Of these circumstances the Dutch, who had gone into the India trade in the year 1595, soon took the advantage, and on the arrival of their first fleet from India in the year 1597 raised the price of pepper, which used to be at 3/ a pound, to 8/, and the prices of other articles in proportion.

The merchants of London, if they were discouraged by the disastrous fate of the first attempts to make commercial voyages to India, had now recovered from that impression; and, being provoked by the monopolizing avarice of the Dutch, they resolved to renew their endeavours to obtain a share of the rich trade of India. With this view M^r Staper and his associates about the beginning of the year 1599, engaged M^r Mildenhall, a merchant of London, to go to the Court of the Great Mogul. He did not reach Agra, the residence of that Monarch, till the year 1603: and, after a prodigious waste of time and money, occasioned by the machinations of some Jesuits residing in Agra, and two Italian merchants (most probably Venetians), who were not pleased at seeing an English merchant in that part of the world, he obtained from the Mogul an ample grant of commercial privileges for the English in the year 1606.

In the mean time the merchants were assiduously employed in concerting measures for the establishment of a Company for the East-India trade, independent of the Turkey trade: and on the 22d day of September 1599 the Lord Mayor of London, most of the Aldermen, and other principal merchants of the city, to the number of one hundred and one, assembled at Founder's hall, and formed an association for trading to India, for which they subscribed a capital of £30,133 6 8.

An antient historian begins his work by observing that the Roman empire, which in its progress became the greatest in the world, was the smallest in its commencement. Here we see the original members of the present great and illustrious East-India Company of England, who now possess territories more extensive and populous than all the British dominions in Europe, laying the
foundation

foundation of a trade, which has become the wonder and envy of all nations, with a capital, which in the present day is barely sufficient to carry on a respectable business in the hands of a single merchant.

At a subsequent meeting the subscribers drew up a petition to the Privy Council, representing, that ‘ Stimulated by the success which had attended the voyage to the East Indies by the Dutch, and finding that the Dutch are fitting out another voyage, for which they have bought ships in England *, the merchants, having the same regard to the welfare of this kingdom that the Dutch have to their commonwealth, have resolved upon making a voyage of adventure, and for this purpose entreat her Majesty will grant them letters patent of incorporation, succession, &c. for that the trade, being so remote from hence, cannot be managed but by a joint and united stock.’ They proceed to request, ‘ that the ships, when prepared, may not be stayed upon any pretence of service, as the delay of a month may lose the opportunity of a whole year’s voyage †.—That the adventurers may be allowed to send out foreign coin ; and, if there should be a want of foreign coin to furnish the present voyage, there may be coined in her Majesty’s mint so much foreign coin, as shall supply the want, out of such bullion, as shall be brought in by the adventurers or by their means.—That freedom of customs be allowed for six voyages outward, in regard that many experiments must be made before it will be known what commodities are best suited to the Indian market, as also in regard that the Dutch, for their encouragement, are freed from the customs for divers years both outward and inward.’

On the 16th of October the business was so far advanced, that the Queen’s approbation of the proposal was reported to the subscribers. Some of them, however, entertained an apprehension that the trade, notwithstanding this fair prospect, would be strangled in the birth : and their apprehension was not groundless. The King of France had proposed that a treaty should be set on foot, in order to negotiate a peace between England and Spain ; and there was some reason to believe that the Queen would not obstruct the negotiation by refusing to gratify the Spaniard in his demand for excluding her subjects from India. They therefor petitioned the Privy Council for a warrant, ‘ that the voyage might be proceeded upon without any impeachment [hinderance] notwithstanding the treaty, and that by reason thereof they should not be

* This seems a very honourable testimony of the superiority of the English shipbuilders in the later end of the reign of Elizabeth.

† In those days merchant ships were still liable to be pressed into the service of the Sovereign, as in former ages.

‘ stayed,

‘ stayed, when the shipping was prepared.’ But the Privy Council ‘ declined granting such warrant, as deeming it more beneficial for the general state of merchandize to entertain a peace, than that the same should be hindered by the standing with the Spanish Commissioners for the maintenance of this trade, and thereby forego the opportunity of concluding the peace.’

The subscribers, on receiving this answer, determined to do nothing further, till they should see what would be the event of the conference, appointed to be held at Boulogne in May 1600.

A dispute between the English and Spanish Commissioners upon the very important business of precedency prevented the negotiation from proceeding. The apprehended impediment being thereby removed, the consideration of the India trade was resumed in the city, and also at court.

On the 31st day of December 1600 Queen Elizabeth granted a charter to a great number of gentlemen therein named *, constituting them ‘ one bodie corporate and politique indeed, by the name of THE GOVERNOUR AND COMPANY OF MERCHANTS OF LONDON TRADING INTO THE EAST INDIES,’ with succession, the power to purchase lands (without any limitation), to sue and be sued, and to have a common seal.—The direction of the voyages, the provision of shipping and merchandize, the sales of the goods imported, and all other business belonging to the Company, shall be managed by a Governor and twenty-four Committees, named in the charter, who shall be succeeded by others to be elected by the Company on the first day of July, or within six days thereafter, every year †.—They shall have the exclusive privilege of trading during fifteen years, reckoning from Christmass 1600, to all parts of Asia, Africa, and America, beyond the Cape of Good Hope, eastward to the Straits of Magellan, except such countries or ports as may be in the actual possession of any Christian Prince in amity with the Queen.—The sons of members, not being under twenty-one years of age, and also their apprentices, their factors, and others employed by them in the India trade, may freely use

* Among the names appear Thomas Smith, Alderman of London, and Richard Staper, two of the original members of the Turkey Company, distinguished by their zeal for promoting the East-India trade. In the charter Mr Smith is declared the first Governor of the Company, and Mr Staper one of the first Committees.

† The charter also directs the election of a Deputy-governor, without determining whether he shall be one of the Committees or not. The twenty-four Gentlemen who now conduct the affairs of the Company, are called Directors, instead of Committees, and *out of their body* two are annually chosen to be *Chairman* and *Deputy-chairman*.

the trade.—The Company may assemble at any place and time convenient, and make bye laws for the regulation of their business, and of the people in their employment, and may order offenders to be punished by imprisonment or fines, consistently with the laws of the realm.—The Queen, considering that, in a new and unknown trade, many articles may be exported, which will be found unfit for sale in India, grants a total exemption from duties for the outward cargoes in the four first voyages; and for the customs upon their homeward cargoes they may give two bonds payable in six and twelve months.—After the four first voyages, if any goods shall be lost on the passage outward, the duties paid upon them shall be deducted from those payable on the goods to be next shipped.—The India goods imported by the Company, for which the duties have been duly paid, may be exported within thirteen months after their arrival, by English merchants and in English vessels, without paying any further customs*.—The Company may export in the ships, now preparing for their first voyage, silver coin, not exceeding the value of thirty thousand pounds, consisting of Spanish or other foreign coin, or of money coined in the mint to the amount of at least six thousand pounds.—It being necessary that the Company's ships sail at a particular season of the year, they shall 'in any time of 'restraint' be empowered to send six good ships, and six good pinnaces, well armed, and manned with five hundred English seamen, who shall at all times be permitted to go on their voyages 'without any stay or contradiction,' unless notice shall be given in due time to the Company that the Queen 'may not 'spare the said six ships and six pinnaces and the mariners requisite for 'them' from her own service.—All the Queen's subjects are strictly prohibited from trading to the countries comprehended in the Company's privilege, on penalty of forfeiture of ship and cargo, imprisonment, and other punishment, unless they have licences in writing under the seal of the Company, who are empowered to grant such licences.—The Company are bound to import within six months after the return of every voyage, except the first one, as much gold or silver as shall be equal to the value of the silver exported by them.—If the Company's privilege be found by experience to be prejudicial to the realm, the Queen may revoke it, upon giving two years' notice: and, if the trade shall be found beneficial to the realm after the trial of fifteen years, new letters-patent shall be granted for other fifteen years.

* In the modern commercial and financial policy, they ought to draw back the greatest part of the customs they paid on importation.

The Company, now duely authorized to proceed in their patriotic and laud-
able undertaking, immediately raised a capital of . £57,543 6 8
to which they soon afterwards added 20 per cent . 11,548 0 0

making in all £69,091 6 8*

They expended for the outfit of the first voyage in

merchandise for the outward cargo . . . £6,860 0 0

bullion 21,742 0 0

28,602 0 0

ships, stores, provisions, &c. 39,771 0 0

Total £68,373 0 0

Their four ships, the best that could be found in England, were

the Dragon, 600 tuns, 202 men, Captain James Lancaster †,

the Hector, 300 . . 108 . . . John Middleton,

the Ascension, 260 . . 82 . . . William Brand,

the Susan, 240 . . 88 . . . John Heyward,

1400† 480

To these was added the Guest, to serve as a victualer to the fleet.

In each of the four ships three merchants embarked, in order to transact the business in India. Captain Lancaster was appointed Admiral of the fleet, and invested by the Queen with the power of exercising martial law. She also gave him letters of introduction to the Kings of Acheen and Bantam.

On the 13th of February the ships dropped down from Woolwich; and on the 22d of April 1601 they took their departure from Torbay. After a tedious passage, owing chiefly to their want of experience of the proper seasons and courses, they arrived at Acheen in the great island of Sumatra on the 5th of June 1602.

The Admiral was graciously and pompously received by the King of the country, and delivered to him the Queen's letter, accompanied by presents,

* The Company's original capital is generally stated at £72,000. Perhaps it was thought for the honour of the Company to make some addition to the real amount. In like manner the bullion exported is said to have been £27,000. But true honour admits of no falsifications.

† The name of James Lancaster appears in the charter as one of the original Committees.

‡ The tunnage of the four ships scarcely exceeded that of some single ships in the Company's service in the present day: and yet they were the best, and probably also the largest, that could be found in all the kingdom.

without which there is no access to the great in the East. A treaty of amity and commerce was concluded, and all the privileges which Lancaster asked were granted by the King. But the crop of pepper having failed in the preceding season, a sufficient quantity could not be obtained in that port.

The Admiral, knowing how much the future vigorous prosecution of the trade must depend upon the success of the first voyage, was very uneasy at the prospect of returning without a sufficient cargo, and making a losing voyage to his employers. Whether he had any instructions from the Company for acting offensively against the nation with whom his Sovereign was then at war, or he conceived the idea of it in the dilemma to which he was reduced by the deficient crop of pepper, does not appear. But he concerted with the commander of a Dutch ship, then at Acheen, to join with him in an attack upon the Portuguese settlement at Malacca. Having heard that pepper was to be had at Priaman, a port on the south-west coast of Sumatra, he sent the Susan thither to trade; and then, leaving two merchants at Acheen to conduct the business till his return, he sailed with the three remaining ships and the Dutch ship on his intended expedition against the Portuguese. On their way to Malacca they fell in with a Portuguese carrack of 900 tuns, which they took. Her cargo, consisting of calicoes and other manufactures of India, was shifted onboard their own ships: and then the prisoners were allowed to return onboard the carrack, and left in possession of her.

Lancaster, having now obtained by war, if not by trade, a cargo sufficient to make a profitable voyage, gave up his original intention of proceeding to Malacca, and returned to Acheen. There he put what pepper, cinnamon, and cloves, the merchants had procured, onboard the Ascension, and sent her home, though not fully loaded; and with the other two ships he proceeded to Priaman, where the Susan had been taking in pepper and cloves; and having there got enough of pepper, he also sent her home. Thence he sailed with his remaining two ships to Bantam in the island of Java, where, he understood, he should be able to purchase pepper cheaper than in Sumatra.

On the 5th of December 1602 he arrived at Bantam, where he met with as agreeable a reception as he had found at Acheen, and delivered the Queen's letter, together with presents, to the King, then a child about ten years of age. There he found a brisk demand for his goods, and bought pepper at $5\frac{1}{2}$ Spanish dollars ($\frac{4}{6}$ sterling each) for a bag of 62 pounds, with one dollar custom on every bag, besides the charge of anchorage, which amounted to 1500 dollars for the two ships.

From

From Bantam he sent a pinnace of 40 tuns and 12 men, with some of the merchants, to establish a factory in the Molucco islands: and, having completed the cargoes of his ships, he settled three factors, with eight men to assist and attend them, in Bantam, to sell the remaining part of the European merchandize, and procure a cargo for the ships, when they should return. Having finished all his business, and taken leave of the young King, he sailed for England on the 20th of February 1602-3. After encountering dreadful storms, in which the Dragon lost her rudder, and refreshing at St Helena, then uninhabited, but well stocked with useful animals and fruits by the Portuguese navigators, the two ships arrived in the Downs on the 11th of September 1603.

At home a proposal was made for following up the first adventure by a second voyage, to be begun in the year 1602, upon a new subscription. The proposal was strongly recommended, or rather urged, by the Ministry, and even by the Queen, who went so far as to upbraid the Company for not prosecuting the business with spirit, as the Dutch did, and for showing so little regard to her honour and the honour of their country. It does not appear, however, that any of those dignified advisers offered to put a penny of their own property in the risk they wished the merchants to engage in: and at that time people were so cautious of going too deep into untried speculations, that subscribers could not be found for a capital equal to the disbursements of a second voyage, till the success of the first one should be known.

Unfortunately for the Company, when their ships arrived, London was afflicted with the plague, and every person, who could leave it, had flown to the country. In this state of general distress no money could be raised, either by borrowing or by sales of merchandize; and the sum of £35,000 was immediately required to pay the seamen's wages and the King's duties*, besides funds for a second voyage.

The Company resolved, as a matter of necessity, that every subscriber of £250 in the original stock should be required to advance £200 in addition thereto, in consideration of which he should receive pepper, at a settled price, to the amount of £500, which he should dispose of at his own discretion†. Having settled this plan, and paid in £60,450 in pursuance of it, they thought

* The demand of ready money in payment of the duties was a deviation from the terms of the charter.

† This way of making dividends in merch-

andize, which could not fail to be productive of much loss and inconvenience, was usual with the Dutch East-India Company between the years 1610 and 1644.

they had nothing to do but to proceed in their business, and particularly in preparing their ships, and merchandize, &c. for a second voyage. But they had to encounter many unexpected difficulties and obstructions in the sale of their pepper, which rendered it impossible to bring the accounts of their first voyage to a final settlement till the year 1609.

In the mean time the four ships, which had made the first voyage, being again equipped and loaded, sailed from Gravesend on the 25th of March 1604, under the command of Sir Henry Middleton. Two of the ships were loaded with pepper at Bantam; and the other two took in mace and nutmegs at Banda, and completed their cargoes with cloves at Amboyna. On their return the *Susan*, one of the ships loaded with pepper at Bantam, was lost. The others arrived in England in May 1606.

Sir Edward Michelborne, and some others associated with him, obtained from King James a licence to send out ships to discover, and trade with Cathaia, China, Japan, Corea, Cambaya, and other places not already frequented by the English, any charter to the contrary notwithstanding. [*Fædera*, V. xvi, p. 582.] Under this licence, which, it must be acknowledged, was a direct violation of the Company's charter, they equipped a ship and a pinnace, with which Sir Edward sailed for China in December 1604. He never reached China; but, after losing some of his cables and anchors among the Oriental islands, he returned home, having got nothing by his voyage but some petty plunder, taken from small Chinese and Indian vessels, which was certainly no very favourable introduction of himself or his countrymen to an acquaintance with the people of that quarter of the world*. He arrived in England in July 1606.

After the return of the Company's ships from the second voyage, most of the members were inclined to wind up their affairs, and drop the business. Six years had elapsed since they had advanced their capital: many of them had not received any returns: and those who had got dividends in pepper, were rather encumbered than benefited by the possession of a commodity which, by a combination of causes, which cannot be detailed in this work, was rendered unsaleable. The infringement of their privilege in favour of Michelborne destroyed their confidence in the royal favour and support, promised by their charter; and the piratical exploits of that commander in the Indian seas had brought disgrace upon the English name, and given great offence to the King

* Michelborne's guilt was aggravated (if that be possible) by the circumstance of his being one of the original partners of the East-India Company, as appears by the charter.

of Bantam, who could not easily be brought to comprehend, that the English freebooters, who had injured him, had no connection with the English East-India Company.

The Company were further discouraged by the very great mortality of their seamen, of which, though it was not likely that it would continue, when experience should point out to them the proper courses and seasons, and proper diet and regimen, their enemies took advantage by representing the voyage and the climate of India as peculiarly destructive of men's lives. This and the other common-place arguments, such as the evil of exporting silver, the waste of ships, &c. though fallacious in themselves, and evidently adduced for malevolent purposes, had considerable influence at the time in rendering the East-India trade unpopular.

Notwithstanding all the difficulties and discouragements thrown in their way, some of the members of the Company possessed sufficient courage and perseverance to propose adventuring in a third voyage, provided they could have assurance of the support from Government, which their charter entitled them to expect. Upon this subject they got such promises * as induced them to open a subscription for a new stock, which produced £53,500. They immediately fitted out their ships, the Dragon and the Hector, to which they added another, called the Consent, being of the burthen of 115 tuns. This small vessel, commanded by Captain David Middleton †, sailed from the Thames in March 1606-7, and in January 1607-8 arrived at the Moluccos, where a cargo of spices was procured, but not without considerable difficulty, occasioned by the malevolence of the Dutch, who were already beginning to act upon their system of engrossing the trade of spiceries into their own hands, which they afterwards carried so completely into effect as to exclude all other nations from obtaining any other kind than pepper, till the present war has deprived them of the monopoly.

The Dragon and the Hector sailed from the Downs in April 1607 under the command of Captain Keeling. In the Indian Ocean Captain Hawkins in the Hector parted company with the Admiral, and proceeded to Surat, having charge of a letter from King James to the Great Mogul. After surmounting

* Notwithstanding these promises, the King in the year 1607 chartered Penkevill and his associates to sail to China and the Moluccos by a northern passage. [*Fadera*, V. xvi, p. 660.] It does not, however, appear that any thing was done in consequence of the charter, and

therefor I have not thought it necessary to take any further notice of it.

† This gentleman was a brother of Sir Henry Middleton, the commander of the second voyage.

many obstacles, thrown in his way by the malice of the Portuguese Jesuits; who even bribed his own servants to murder him, he penetrated to the Imperial residence at Agra, where he arrived on the 16th of April 1609. The Mogul received him kindly, and granted him permission to establish an English factory at Surat. But, by the machinations of the Portuguese, and the perfidy of the Governor of Surat, the grant was revoked. Hawkins, who was a man of great courage and judgement, succeeded in convincing the Emperor of the malicious designs of his enemies, and got him to renew the grant. But the Mogul so little knew his own mind, that he was again persuaded to rescind it; whereupon Hawkins, after losing two years and a half in this kind of tantalizing attendance at the Mogul court, left Agra in disgust, and, getting on-board one of the Company's ships, arrived in England in the year 1613.

The Dragon got a load of pepper at Bantam : and the Hector, after landing Captain Hawkins at Surat, proceeded to Bantam, and thence to Banda and the other Spice islands, where, in spite of the malice and opposition of the Dutch, Captain Keeling, after having dispatched the Dragon for England, loaded his other ship with spices, with which he arrived in England in May 1610, having not lost a single man in his voyage.

In March 1608 several members of the Company subscribed a capital of £33,000 for a fourth voyage. In former voyages every subscriber had had an equal voice in the deliberations upon the joint concerns, whereby it sometimes happened that a greater number possessing a small portion of the stock carried the question against the proprietors of greater value, who were fewer in number. To guard against that inconvenience, it was determined that no subscription for the intended fourth voyage should be under £500. But, as it was not intended that smaller subscribers should be excluded from the benefits of the trade, they were allowed to join their stocks together under the name of one person, who should have the right to vote*.

The fourth voyage was most unfortunate. The Ascension and Union sailed from Woolwich on the 14th of March 1607-8 under the command of Captain Sharpley. The Ascension, after trading at Aden on the south coast of Arabia, and going up the Red Sea as far as Mocha, sailed for the coast of Cambaya, and was wrecked near Surat, the men saving themselves in the boats. The Union, having parted company with the Ascension near the Cape of Good

* There were 237 subscribers to the first and second voyages; and of them 212 were for sums under £300. For the third voyage

there were 205 subscribers, of whom 108 were for sums under £200, and 36 others were under £300.

Hope, arrived at Acheen, where the supercargo, finding the King's mind alienated from him by the intrigues of the Dutch, made a bartering trade with some vessels from Guzerat, and proceeded to Priaman, where he got pepper to fill his ship. On the return home she was wrecked on the coast of France; and only a small part of the cargo, consisting of pepper, benjamin wood, and silk goods, were saved.

It was not till the year 1609 that the proprietors of the first and second voyages were able to bring their accounts to a close; and then it was only accomplished by making over their remaining joint property to the proprietors of the third voyage. On winding up the concern, they found the whole profit amount to ninety-five per cent, which would have been a great object, if they could have realized it in a reasonable time after the arrival of their ships.

Upon the arrival of the *Consent*, belonging to the third voyage, in the beginning of the year 1609, the gentlemen concerned in that voyage agreed to add twenty-five per cent to their capital, and to send out Captain Middleton again to the Moluccos. In April 1609 he sailed in the *Expedition*, and by his prudence and intrepidity surmounted all the dangers and hardships to which he was exposed by the enmity of the Dutch, and obtained a full cargo of nutmegs and mace at Pulo Way, besides a considerable quantity, which he left behind him in the care of a factor. He arrived in England in about two years after his departure: and upon this voyage the partners divided a profit of two hundred and eleven per cent, it being the only voyage that could hitherto be called really beneficial.

So large a profit revived the reputation of the East-India trade, not only with the proprietors, but also with the Public in general. Though the term of the privilege was not near expired, the Company were encouraged to apply for a renewal of it; and the King was now so well disposed to them, that on the 31st of May 1609 he gave them a new charter, whereby, in consideration of the honour and advantage conferred upon the nation by the East-India trade, he grants the Company a *perpetual continuation* of their privileges, with all the powers, &c. contained in the original charter.

The Company, encouraged by so favourable a charter, built the greatest ship that had ever been constructed in England for the merchant service, being of the burthen of a thousand tuns*. The King, attended by his nobles, witnessed the launch, and gave her the name of the Trade's increase. When

* Some accounts make her 1100 tuns, and some even 1200. I have followed Purchas, the earliest author by whom she is mentioned.

she was afloat, the King and his retinue were entertained onboard her with a magnificent dinner, provided by the Company, and served in dishes and plates of China ware, which was then quite new in England.

The Company, having raised a capital of £80,163 for the sixth voyage, dispatched their fleet in the spring of the year 1610, consisting of the Trade's increase, the Peppercorn, and the Darling, together with a bark to attend them as a victualer as long as should be necessary, the whole being under the command of Sir Henry Middleton. The principal object of this voyage was to establish an advantageous trade in the Red Sea, where, it was said, woolen goods, metals, and other British merchandize, might be sold with good profit, or exchanged for India goods with merchants from various parts of India. At Mocha, a port in the Red Sea, Sir Henry and a number of his people were treacherously seized by the Aga, or Governor, of the town, and sent up the country to the Pacha as prisoners. Sir Henry, being remanded by the Pacha to Mocha, recovered his own and his people's liberty by a stratagem, and then compelled the Aga to make compensation for his damages under the penalty of having his town battered about his ears.

He next proceeded to Surat, where he found a strong fleet of the Portuguese, whose hostilities obliged him to use force to obtain a trifling trade with the natives. He afterwards returned to the Red Sea, where he seized several of the country vessels, and obliged them to indemnify him for the disappointment of his voyage; a mode of proceeding then thought allowable by the laws of war. Thence he again steered eastward for Tecoa in Sumatra, at which place, and at Bantam, he loaded the Peppercorn with pepper, and dispatched her for London, where she arrived on the 20th of October 1614. Sir Henry remained with the Trade's increase to repair the damage she had suffered by getting upon a rock: but that noble ship oversetting, when on the careen in Bantam road, was totally destroyed * in the year 1613, and Sir Henry soon after died of grief †.

The partners in this voyage, notwithstanding the grievous delays and losses it was subjected to, received a profit of £121 13 4 upon every £100 of their capital.

The seventh voyage was undertaken with a capital of only £15,364, with a single ship called the Globe, under the direction of two merchants, who had

* In Captain Peyton's Journal she is said to have been burnt by the people of Java. [*Purchas*, L. iiiii, c. 15, § 2.]

† The loss of the ship and Sir Henry's death

are here noticed in order to connect the events of the sixth voyage, though they will necessarily appear again in the account of the eighth voyage.

been in India in the Dutch service. The intention of this voyage was to establish a trade on the coast of Coromandel for calicoes, which were to be carried to the Oriental islands, where they are much in request; and it was also proposed to bring home a few of them for a trial. On the 5th of January 1610-11 they sailed from Gravesend. Finding the Dutch in possession of a grant of exclusive trade at Pulicat, the first port they made, they sailed for Pettapole and Masulipatnam, where they were treacherously used by the Governor. Thence they proceeded to Bantam, Siam, and some other countries; and, after several trips, they returned to Bantam, where they took in a cargo, and sailing thence, arrived in England in the summer of the year 1615.

This voyage produced a profit of 218 per cent to the proprietors.

The capital subscribed for the eighth voyage was £55,947. The ships employed were the Clove, the Hector, and the Thomas, which sailed in April 1611, under the command of Captain Saris. They were provided with a pass, or safe-conduct, from the Turkish Emperor, ordering all his Governors to receive them in a friendly manner, and to allow them to have freedom of trade. Being thus, as they imagined, insured of a kind reception, they arrived at Mocha, and had a prospect of friendship and trade, when the second arrival of Sir Henry Middleton in the Red Sea, as already noticed in the account of the sixth voyage, interrupted the amicable intercourse.

Sir Henry being determined to be revenged of the Turks, there could be no trade with the shore. The two chief commanders therefor agreed to act with united counsels and united force, their purpose being to stop all the vessels arriving from India, and to oblige them to barter their Indian commodities in exchange for English merchandize, transacting the whole business upon the water: and, as their ships belonged to separate voyages, it was agreed, that Sir Henry for the sixth voyage should be concerned for two thirds, and Captain Saris for the eighth for one third, of all their conjunct forced trade.

After having done as much business as they thought proper in this manner, they sailed for Bantam, where two of the ships were loaded with pepper, with which they returned to England.

Captain Saris proceeded in the Clove to Japan, with a view to open a trade with that country. Touching at the Moluccos on his way, he found the natives desirous of selling their cloves to him; but they were prevented by the Dutch, who asserted that the islands belonged to them by right of conquest, and that the natives were bound to sell all their produce to them. He arrived in Japan in June 1613, and was very kindly received by the Emperor and several inferior

Kings and Viceroy. The Emperor gave him a charter, granting the Company every privilege they could wish with respect to trade, such as exemption from custom duties, the liberty of establishing a factory, assistance in case of shipwreck, and preservation of the property of any of the English merchants, who might die in his dominions*. Captain Saris, having completed his business, and settled a factory, returned to Bantam, and loaded his ship with pepper for England, where he arrived in September 1614.

The gentlemen concerned in this voyage cleared a profit of 211 per cent.

The Company's factors, settled in Japan, endeavoured to open a trade with Corea and China, but without success, though the English were highly extolled in all the Oriental countries for their victories in the war against the Spaniards, whose cruelties had rendered them universally odious.

The capital employed in the ninth voyage was only £19,164; and there was dispatched only a single ship, the *James*, Captain Marlow, who sailed in February 1611-12 for Bantam, and, after making several country voyages, arrived in England in August 1615, having made a profit of 160 per cent for the proprietors.

While some of the members of the Company were dispatching the *James*, some others entered into a subscription for another voyage, which is reckoned the tenth. The capital engaged in this adventure was £46,092, with which they fitted out two ships, the *Dragon* and the *Hosiander*, under the command of Captain Best, a brave and prudent officer. A principal object of this voyage was to remove the bad impression made upon the mind of the Great Mogul by Sir Henry Middleton's treatment of his subjects in the Red Sea.

Captain Best with great address accomplished the object of his mission in obtaining the good will of the Great Mogul, who granted him a firmaun (charter), whereby—Middleton's transactions were consigned to oblivion.—The Mogul agreed to receive an English Ambassador to reside at his Court.—On the arrival of any English subjects at Surat, notice shall be given to the people of the country, who shall have full liberty to come to trade with them.—English merchandize shall pay custom at the rate of three and a half per cent on the value.—The property of Englishmen dying in the country shall be faithfully preserved for those who have a right to it.—The persons and property of Englishmen shall be warranted against the hostility of the Portuguese, failing

* The charter in the original language and character, with an English translation, may be seen in *Purchas's Pilgrimes*, L. iii, c. 1, § 7.

which,

which, compensation shall be made by the country.—The Company's people or property shall not be made answerable for any acts of piracy committed by lawless English seamen, with whom they have no connection.

The Portuguese, in support of their pretensions to the sole empire of the Indian seas, attacked Captain Best's two ships with a fleet of four galleons and twenty-six smaller vessels, called frigates. In repeated engagements, during several days, the Portuguese were constantly defeated, to the great joy and utter astonishment of the people of India, who had till now thought the Portuguese invincible.

From Surat Captain Best proceeded to Acheen, where he also obtained the favour of the King of the country, who confirmed all the privileges formerly granted to Captain Lancaster. After trading in several ports of Sumatra, he completed his cargo with pepper, &c. and arrived in the Thames on the 15th of June 1614.

This voyage afforded the gentlemen concerned in it a profit of 148 per cent.

A party of the Company made a stock of £10,669 for sending a ship to bring home the remaining property of the adventurers in the third and fifth voyages. The ship sailed from the Thames along with those of the ninth and tenth voyages, which, being all on separate accounts, are so numbered, this being reckoned the eleventh. This voyage, being made direct, both outward and homeward, was completed in twenty months, and afforded a profit of 340 per cent.

The twelfth voyage was undertaken chiefly for the purpose of carrying out Sir Robert Shirley, who had been sent as Ambassador to King James from the King, or Sophi, of Persia. The stock employed was only £7,142; and there was only one ship, the Expedition of 260 tuns, commanded by Captain Newport, which sailed in January 1612-13. Having landed Sir Robert and his retinue at Diu in Guzerat, they had to encounter the malice of the Portuguese, who impudently asserted that Sir Robert was a pirate, and that the passport, which had been obtained for him from the King of Spain, was forged. As no liberty of trade could be obtained at Diu, Captain Newport sailed for Sumatra and Bantam, at which places he loaded pepper, and returned to England in July 1614.

The members of the Company engaged in this voyage, which was the last one that was conducted as a separate concern, had a profit of £133 18 4 on every £100 of their capital.

The whole of the capitals employed in all the twelve voyages amounted only to £464,284, which sum was laid out as follows.

In merchandize	£ 62,411,	being in each voyage on an average .	£ 5,201
bullion . .	138,127	. . . . .	11,510
ships, stores, } provisions, &c. }	263,746	. . . . .	21,979
<hr/>			<hr/>
£464,284			£38,690
<hr/>			<hr/>

The average profit of the whole voyages was 138 per cent. But, in order to guard against any erroneous idea, which might be conceived of that profit, compared with what can be made in the present day, it is necessary that the reader should bear in mind, that the voyages were never made in less than twenty months, and were oftener extended to three or four years; that in the profits of each voyage there were included all the accumulated profits of numerous barter and sales in a great variety of trips from one part of India to another, which were very considerable; that the Company built their own ships, made their own masts, sails, and cordage, killed and salted their own meat, and thereby kept within themselves all the profits, which, on the enlarged scale of their commerce, they now find it more prudent to relinquish to people who exercise those various branches of business; that, after the arrival of the goods from India, they were sold at long credits of eighteen months and two years; and that, owing to the irregularity of the factors in keeping and transmitting their accounts, the concerns of a voyage could not be finally adjusted sooner than in six or eight years. Taking the duration of the concern at a medium of seven years, the profit appears to be somewhat under twenty per cent per annum, which, when the current rate of interest was eight per cent, was scarcely an adequate premium for the risk the adventurers ran in establishing a new trade in unknown countries, and would perhaps be reduced to a level with the common interest of the time, if the expense of insurance were deducted.

Hitherto the East-India trade had scarcely deserved to be considered as a national object. But the importance of it began now to be better understood; and proper measures were concerted for conducting it on a more extended scale. The erroneous policy of making every voyage a separate concern, in which each individual partner of the Company might subscribe as much or as little as he pleased, or nothing at all, was now apparent. The Dutch, with that keen perception of their interest, which forms the most prominent trait of their

their national character, having soon become sensible of this inconvenience, had united their interests in one common stock, and conducted their business as a single concern ; while the various factories of the English Company were pursuing their separate interests in India with all the eagerness of rivalry which might be expected in the agents of different nations ; and the natives of the country, with great astonishment and satisfaction, saw Englishmen underselling and overbuying each-other in the same market, a circumstance, which they could not be so blind as to neglect turning to their own advantage, as they had not the same urgent motives to be in haste, either to buy or sell, that the English had, when their ships were lying at a heavy expense.

At home similar inconveniencies were felt in the competition of the sales of East-India goods. The evil of competition was further increased by a custom of sometimes dividing the merchandize imported among the several individual proprietors : and, as the dividends were made either in that manner, or by sharing the money arising from public sales, it might sometimes happen, that the private emolument of some leading person concerned prevailed over the general interest of the community in determining which mode of division should be adopted.

The Company having come to a resolution to have no more concern in separate voyages, they opened a subscription in the year 1613 for conducting the trade upon a joint stock, all the voyages being henceforth for account of the whole Company as one united body : and, that they might have the opportunity of regulating their subsequent conduct as circumstances should direct, they agreed to limit the duration of the joint capital to four years. The stock thus subscribed amounted to £418,691, to be paid in by equal installments in each of the four years.

The first fleet equipped upon the joint-stock account, consisting of four good ships under the command of Captain Downton, sailed in March 1613-14. When they arrived in India, the Great Mogul and the Princes of the Deccan had united their forces in order to expell the Portuguese from the country ; and the Mogul's General requested of Captain Downton to assist him with his ships. But, as the King of Great Britain was at peace with the King of Spain, who was also the Sovereign of Portugal, he refused to act offensively against them. The Portuguese, in return for a conduct so favourable to themselves, found means to make the Mogul General believe that the English had promised to join them in an attack upon Surat. But their actions very soon undeceived him ; for, when the English were beginning to trade with the natives, they
were

were attacked by the Portuguese Viceroy with six galleons, three ships, and sixty frigates, which were all repeatedly beat off by the small English squadron of four ships *. This splendid victory was of great service to the Company's interest in subsequent transactions with the Mogul.

Captain Downton, having taken onboard a parcel of goods belonging to the twelfth voyage on separate account, and a considerable quantity of indigo in return for goods carried out by himself, departed from Guzerat ; and, sending one of his ships home, proceeded with the others for Bantam, where he procured mace, and also silk and porcelain, which he sent in one of the ships, with six merchants, to establish a factory at Masulipatnam.

In their transactions among the Oriental islands the Company's commanders and factors found the Dutch as hostile to their interest as the Portuguese. Those people, though they owed their existence as an independent nation to the English, and though they were very happy to join their forces in India with those of the English Company in curbing the domineering power of the Portuguese in that quarter of the world, having now obtained settlements in some of the islands, were no less eager to exclude the English from India than the Portuguese were for excluding both English and Dutch.

The Company had to defend themselves against the attacks of enemies at home as well as in India. A pamphlet, published in the very infancy of the trade, had charged them with draining the country of silver, destroying the lives of seamen, &c. It was immediately replied to, and its arguments completely confuted, by Sir William Monson, a veteran officer of approved knowledge and experience in maritime affairs.

In the year 1615 the same charges were re-iterated in another pamphlet, written with such virulence, that the Attorney-general pronounced it a most scandalous libel, full of dangerous and treasonable doctrines, for which, he said, it ought to be suppressed by authority, and the author prosecuted. This attack was also ably repelled by Sir Dudley Digges, one of the Committees of the Company, in a treatise called 'The Defence of trade,' wherein he showed that the exports of India goods from England in one year exceeded the value of bullion exported to India in many years, and that the nation saved £70,000 annually in the price of pepper and other spices, and was moreover greatly benefited by the increase of the customs, and the employment of large ships and

* I relate this wonderful victory from Captain Downton's own journal, as published by Purchas.

great numbers of seamen. He stated the cost of the investment for the year 1614 as follows.

Woolen goods, dyed and completely finished	£14,000
Lead, iron, and foreign merchandize	10,000
	<hr/>
	24,000
Bullion, being much less than is allowed by the charter	12,000
	<hr/>
	36,000
Ships and stores	£34,000
Victuals and other charges	30,000
	<hr/>
	64,000
	<hr/>
	£100,000

Nor was it only by the pen that the Company's interest was attacked. Some unworthy Englishmen were preparing to fit out two ships from Brest for India, under a commission from the King of France; but by the vigilance of the Court of Committees, and the assistance of Government, they were prevented.—A voyage from Ireland to India was also projected, which, being supposed to be intended for a piratical cruise against the vessels of the natives, was remonstrated against by the Court of Committees, as injurious to the Company, and disgraceful to the English character.—Sir John Fern and others were also suspected of intending a similar piratical expedition into the Red Sea.

The Company had for several years appointed some of their own merchants to reside as their representatives at the Court of the Great Mogul: but thinking that an Ambassador from the King would be more favourably received by that Monarch, they requested his Majesty to appoint one, offering themselves to pay all the charges. The King commissioned Sir Thomas Roe for the embassy, who embarked in January 1614-15 with the second fleet, which sailed on the joint-stock account. In September they arrived at Surat, and landed the Ambassador and his suite, who proceeded thence to the Imperial Court, where Sir Thomas did essential service to the Company by obtaining favourable grants for the establishment of factories at Surat, Cambay, and other places, and a general firmaun for free trade in every part of the Mogul's dominions. The Company were so well satisfied with the services done to them during his residence of several years at the Mogul Court, that, on his return home in the year 1619, they complimented him with an honourary seat in the Court of Committees, and moreover settled an allowance of £200 a-year * upon him as a token of their esteem,

* This allowance must not be appretiated by the value of £200 in the nineteenth century.

From Surat the fleet sailed south to Calicut, where Captain Keeling, the commander in chief, in March 1615-16 entered into a treaty with the Sovereign, called the Zamorin, for delivering the fort of Cranganore to the Company as soon as he should take it from the Portuguese, and also the fort and town of Cochin, when he should recover it by the assistance of the English, and for liberty of trade without paying any customs*.

The Company now possessed factories at

Bantam		
Jacatra, afterwards called Batavia	}	in Java.
Japara		
Acheen		
Jambee	}	in Sumatra.
Tecoa		
Banda		in the Banda islands.
Benjarmassing	}	in Borneo.
Socodania		
Firando		in Japan.
Surat	}	in the Mogul's dominions.
Amadavad		
Agra		
Azimere, or Agimere		
Brampore, or Burampore		
Calicut		on the Malabar coast.
Masulipatnam	}	on the Coromandel coast.
Petapoli		
Siam		the capital of the kingdom of Siam.
Patan		in Malacca.
Macassar		in the island of Celebes.

The quarrels between the English and Dutch in India had now gone to such an excess as to demand the attention and interposition of the respective Governments in Europe. Commissioners were accordingly appointed on both sides to endeavour to settle all differences, and concert a plan for the future regulation of the trade.

* It is worthy of remark, that Captain Peyton, who commanded one of the ships in this voyage, advised that the rudders of ships going to India should be sheathed with thin copper to

prevent the worms from eating off the edges, which injures the ship's steering. [*See his Journal in Purchas, L. iiiii, c. 15, § 2.*] So copper sheathing was thought of about two centuries ago.

The Dutch Commissioners proposed that the two East-India Companies should be united, in order to carry on the trade in India as a joint concern. By means of such an union they alleged that a stock of about one hundred and twenty thousand pounds would be sufficient to make a yearly return in the article of spices only to the amount of five or six hundred thousand pounds ; and proper care could be taken to proportion the importation to the demand, in order to prevent an undue depression of the prices in Europe.—Unanimity and concert between the English and Dutch would effect a reduction of the customs and other imposts payable in India, and might abolish the very chargeable practice of giving presents to the Princes and courtiers.—It would facilitate the establishment of a factory in China.—It would keep the factors and seamen of both nations in better subordination.—And it would enable them to subdue the Portuguese, the common enemy, and to exclude all others from getting any footing in India.

Such were the specious and narrow-minded arguments adduced by the Dutch : but the English Company could not be persuaded to approve of the proposed union. They observed that the Molucco islands, producing the spices, which are the chief object of the Dutch trade, could never yield advantages equal to the charge of maintaining them.—That the trade of the spice islands, of which the Dutch offered them a participation, was not equally valuable with that of the Malabar coast, in which the Dutch, in the event of the proposed union, must be admitted to participate.—That the Dutch were very desirous to have their assistance to drive the Spaniards, and their subjects the Portuguese, out of the Indian seas : but that the English Company did consider warlike operations, unless in self-defence, not to be the business of merchants.—And they thought the scheme of the two nations joining their forces to monopolize the trade of India, to the exclusion of all others, neither honest nor practicable.

During the four years of the Company's joint-stock trade, their affairs were in such a prosperous state, that in the year 1617 their stock was currently sold at 203 per cent. But a great deal of the property belonging to this concern was not yet brought home ; and, before that could be accomplished, they were subjected to a variety of distresses by the monopolizing spirit and enmity of the Dutch, which obliged them, in order to bring their concerns to some kind of a close, to make over their outstanding stock, at a low valuation, to the proprietors of the second joint stock in the year 1621 : and then, on making up their accounts, they found that their whole profits in the eight years amounted only to $87\frac{1}{2}$ per cent.

Before I proceed to give an account of the second joint stock, it is proper to observe that the Company resolved to engage in the whale-fishery in the Greenland seas, having, perhaps, some expectation that their whalers might light upon a navigable channel by the northern parts of the world to India; an expectation that has been kept alive during almost three centuries, and has only lately been demonstrated to be utterly fallacious by the journies of Hearne and Mackenzie across those parts of America in which such a passage was supposed possible. For this purpose they procured some experienced fishermen from Biscay, the people of that country being, next to the Norwegians, the oldest whale-fishers in Europe. They continued the Greenland whale-fishing as a branch of their trade, though I have not learned with what success, nor any particulars of it, till the year 1619, when they agreed with the Russian Company to make a joint concern of it with them. The two Companies sent out nine ships and two pinnaces: but, after carrying on their conjunct fishery for two years, and finding it very unfortunate, they agreed to give it up.

In the year 1616, as soon as it was known that the Company proposed to raise a new capital, the flattering prospect of their affairs induced people of all ranks to crowd into the subscription, which, at the time prefixed for closing it, amounted to £1,629,040, being the largest capital that ever had been hitherto subscribed for a joint-stock trade in any part of the world*.

It was determined that the duration of this stock, as that of the preceding one, should be limited to four years; or, to speak more correctly, that the Company should send ships to India during four years, and should bring the accounts to a close as soon as possible after the arrival of the last of them in England.

The Dutch Company now renewed their proposal for an union, hoping it might be more favourably received by an association containing many new

* There were nine hundred and fifty-four subscribers, viz.

- 15 Dukes and Earls,
- 82 Knights, including Judges, Privy counselors, &c.
- 13 Countesses and other titled ladies,
- 18 widows and maiden ladies,
- 26 clergymen and physicians,
- 313 merchants,
- 214 tradesmen,
- 25 merchant strangers, and
- 248 without any designation.

members, especially as the King of France had recently united the adventurers of Rouen with the dormant French East-India Company, and the King of Denmark was also going to establish an East-India Company in his dominions. But the Company, still comprehending the greatest part of the old proprietors, would not listen to it.

The Dutch Company, highly incensed by the repeated refusal of a connection with them, sent orders to their servants in India to do every thing in their power to get into their own hands the whole of the pepper of Bantam and Jacatra (afterwards famous by the name of Batavia), at each of which places the English then had a considerable trade with the natives. They also resolved to undersell the English Company in the European markets, regardless of the damage they themselves should thereby suffer, which, they trusted, would be only temporary, and be soon repaid with interest, when their rivals should be driven out of the trade. These angry resolutions had no other effect upon the English Company than to render them more vigilant in counteracting the measures of their malicious neighbours.

The Company, in order to protect their trade against the malevolence of the Dutch, and also to defeat the enterprises of the English interlopers who had now got into the trade, and not only injured the Company in their commercial interests, but also brought disgrace upon the national character by their piratical depredations *, resolved to send out a respectable squadron of six large ships: and they obtained from the King a very ample commission for Sir Thomas Dale, whom they appointed commander in chief, and also for Captain William Parker, whom they destined to succeed to the command in case of the death of Sir Thomas. The King therein empowers the commander to execute martial law in the fleet.—He strictly charges him never to be the aggressor in hostilities against the subjects of any Christian Prince: but he authorizes him to take the persons, ships, and goods, of any who may presume to disturb or hinder the quiet course of the Company's trade, and also to retake the vessels and goods of English subjects seized by foreigners.—As he had, by his letters patent to the Company, strictly prohibited all his other subjects from sailing to the East Indies, he desires Sir Thomas to seize any English ships not belonging to the

* In September 1617 a large and very rich ship, belonging to the mother of the Great Mogul, was chased by two English pirate ships. If they had taken her, the English interest in the Mogul's dominions would have been utterly ruined by such an atrocious rob-

bery. But providentially their wicked intentions were frustrated, and themselves taken by some of the Company's ships. This affair was, however, productive of much trouble to the Company.

Company, which he may meet with in the Indian seas. [*Fædera*, V. xvii, p. 56.]

At this time preparations were making for the establishment of an Indian trade in Scotland, the subjects of which, being totally unconnected with England in government, were by no means excluded from the trade by the charter granted by their King, as King of England, to the merchants of London. The scheme was so far advanced, that Sir James Cuninghame had obtained a patent from the King on the 18th of March 1618. But on the London Company representing to the King, that the patent would be very prejudicial to their trade, he promised to withdraw it on their paying Sir James the expenses he had incurred.

Several attempts had been made to accommodate the differences and misunderstandings subsisting between the English and Dutch East-India Companies; and a treaty was at length concluded at London on the 7th of July 1619 by eighteen gentlemen commissioned by the King, including several members of the Privy Council and principal members of the English Company on the one part, and ten deputies from the States General * on the other part, whereby it was agreed,—That all bypast offences in the East Indies shall be consigned to oblivion: and all persons, ships, and merchandize, seized by either party, shall be restored.—The servants of both Companies shall be mutually aiding and assisting to each-other as good neighbours.—The trade shall be carried on by both Companies with perfect freedom, and with such capital as each shall think proper.—The two Companies shall unite their endeavours to reduce the custom duties in India, and also to abolish the practice of giving presents.—The Companies shall unite their efforts to reduce the prices of India goods in India, and shall also agree upon the prices, under which they shall not be sold in Europe.—The pepper purchased in Java shall be equally divided between both Companies.—The English Company shall freely enjoy the trade of Pulicate, and shall pay half the expense of the fort and garrison of that place.—In the Molucco islands, Banda, and Amboyna, the English Company shall have one third of the trade of importation, and they shall also purchase one third of the produce of the islands, the other two thirds being reserved for the Dutch Company.—Each Company shall maintain ten ships of war, from six to eight hundred tons burthen, each of them carrying one hundred and fifty men, and thirty guns with shot from eight to eighteen pounds, besides

* Three of the Dutch negotiators were knighted by King James immediately after the ratification of the treaty. [*Fædera*, V. xvii, p 175.]

such gallies, frigates, and other small vessels, as the Council of defence shall think necessary, the whole to act in conjunction for the protection of the trade of both Companies, to remain in India, and never to be employed in carrying merchandize, unless upon particular emergencies.—The Council of defence shall determine the duties to be paid on the exportation of the produce of the Moluccos, Banda, and Amboyna, for maintaining the forts and garrisons.—The Council of defence shall consist of eight members, being four of the principal persons in the service of each Company, who shall preside by turns.—All forts shall remain in the hands of their present possessors.—The erection of some forts, proposed by the English Company, shall be postponed for two or three years, to the end that the number and situation of them may be maturely considered, and determined for the benefit of both Companies.—The forts which shall be acquired in the Moluccos, or any other part of India, shall either be garrisoned by equal numbers of the forces of the two Companies, or they shall be equally divided between the two Companies, as the Council of defence shall determine.—The Companies shall unite their endeavours to open a trade with China and other places in India by such ways and means as the Council of defence shall direct.—Both Companies shall unite in suppressing all intruders upon the privileges of either, whether English or Dutch; and the King and the States-General are entreated not to erect any other Companies to interfere in the trade and navigation of India during the term of this treaty.—In case of the death of any of the factors, where there are no other servants of the Company they belong to, their effects shall be carefully preserved by the servants of the other Company for the rightful proprietors.—This treaty shall continue in force twenty years: and in case of any dispute arising, which cannot be determined by the Council in India, the King of Great Britain and the States-General will be pleased to settle it.

On the 16th of July the ratification of the treaty, together with a clause containing a promise to erect no other Company for the India trade during the term of it, was signed by King James. [*Fædera*, V. xvii, p. 170.]

When the news of this agreement, or union, arrived in India in April 1620, it was received with great rejoicings by the Company's people there. But it did not continue unbroken near as long as it was in making. Indeed, it is very surprising, that thinking people should have expected that such an union could be permanent.

In December 1620 John Peterson Koen, the Dutch Governor-general, having prepared sixteen ships at Jacatra (now Batavia), where the English at that time had no forces, informed the President of the English factory, that he proposed

an

an expedition for the advantage of both Companies (but without explaining his design) adding that, as the English had no forces to join with his, he would undertake it with his own. He accordingly proceeded with his fleet to the islands of Lantore and Pulo Roon, both which, as the English Company's servants asserted, had been surrendered by the inhabitants to the King of Great Britain, and took possession of them, treating the few Englishmen they found in them, and also the natives, with the most savage cruelty.

The Dutch attempted to justify this glaring violation of the recent treaty by alleging that the islands had been surrendered to them in the year 1609 by the natives, who then became bound to sell all their spices to them at a fixed price; that the natives, encouraged by the English, had rebelled against them, and that in subduing the rebels they only vindicated their just rights *.

Their conduct upon this occasion may be called mild and gentle, if compared with the diabolical massacre at Amboyna. In February 1622-23, on a most improbable pretence, that the English, consisting of about twenty men, had conspired to take the island from the Dutch, who possessed four strong forts, garrisoned by two hundred Dutch soldiers, besides three or four hundred soldiers of the natives, they seized all the Englishmen in Amboyna and the adjacent islands, and murdered the most of them with the most excruciating tortures that the most infernal malice could devise †. Having accomplished this sacrifice to their thirst of gold, they next insulted the God of mercy and truth by ordering a general thanks-giving to him for their deliverance from a conspiracy, which, they were very conscious, had never existed.

* The instruments of the surrender of Pulo Way, Pulo Roon, Wayre, Rosinging, and Lantore, to the King of England may be seen in Purchas's Pilgrimes, L. v, c. 14. Without inquiring whether such instruments, executed by people, who most probably had no correct idea of the meaning of the transaction, could convey any just right of sovereignty, we may be allowed to observe, that the English had a right to the occupancy, which they enjoyed in conjunction with the natives, and with their good will; whereas the Dutch had no such right: and, notwithstanding the specious apology they published, it seems impossible to vindicate them from the charge of most atrocious perfidy.

† The shocking particulars of this infernal transaction have been often enough detailed. It may be asked, how they could be known, as the actors and spectators of the horrid scene did not give the world an account of it to hold themselves up to the detestation of mankind. But, by some unaccountable deviation from the system of extirpation, Beaumont, Collins, and Webber, three of the members of the English factory, were permitted to survive their tortures; and by their report, and the written declarations left by some of the sufferers, the infamous story has been recorded. The guilt of the Dutch is moreover sufficiently apparent from the inconsistencies and subterfuges of their own apologies.

The Dutch soon after found means to drive the English Company's people out of all the other Spice islands, and plunder all the property found in the factories established in them. The reduced state of the English Company, and the distracted state of the nation during the subsequent reign of King Charles I, prevented any efforts being made to reinstate them in their possessions, which have ever since remained in the hands of the Dutch, till the present universal war has nearly annihilated their power and their commerce in the East.

These facts may warrant a belief that the Dutch never intended to adhere to the treaty of 1619, and that they scarcely ever neglected to make a savage and sanguinary use of their power, wherever they found that they possessed a great superiority of force*.

In the year 1621 M^r Munn, an eminent merchant, and Deputy-Governor of the Company, published, 'A Discourse of trade from England to the 'East Indies,' wherein he gives a particular statement of the annual consumption of the following articles in Europe, viz.

Pepper	.	.	.	.	6,000,000 pounds,
Cloves	.	.	.	.	450,000,
Mace	.	.	.	.	150,000,
Nutmegs †	.	.	.	.	400,000,
Indigo	.	.	.	.	350,000,
Raw silk of Persia	.	.	.	.	1,000,000,

which, by the old conveyance, partly over land to Aleppo, and thence by sea, would have cost £1,465,000 but, when brought by the Cape of Good Hope, cost only 511,458 and, when landed in England, they cost only about half the sum they used to cost by the old conveyance: and, moreover, almost the whole price of the goods, and the entire cost of the ships, wages, provisions, insurance, &c. is paid to our own people.

* I purposely avoid going into any detail of the many bloody battles which were fought about this time between the English and the Dutch. Those who desire to have particular accounts of them may consult *Purchas's Pilgrimes*—*Collection of Voyages from the Harleian library*—*Lediard's Naval History*—*Harris's Collection of Voyages*—*Dodsley's History of the East Indies*—*Conquete des Isles Moluques, &c.*

† In the infancy of the East-India trade in England, and for some ages before it, prodigious quantities of spices were consumed in Europe in cookery and in preparing expensive drinks, for which the merchants of Venice and Genoa used to receive vast sums. By the change and caprice of fashion the consumption of those luxuries has decreased since the acquisition of them has become less chargeable.

He states the value of the Company's joint property at £400,000. Their trade gives employment to

10,000 tuns of shipping,
2,500 seamen,
500 ship-carpenters, caulkers, joiners, &c.
and about 120 factors in India.

The Company expend large sums in relieving the widows of seamen, who have been in their service, and breeding up their children to be useful members of society.

Such was the state of the India trade and the Company about one hundred and ninety years ago, as represented by M' Munn.

In the end of the same year the Parliament required the Company to lay before them an account of the East-India trade since the commencement of it.

It appeared from that account that, in twenty-one years preceding the 29th of November 1621, the Company had sent eighty-six ships to India; whereof there were returned home with cargoes 36

lost 9

worn out by long service, going from port to port in India 5

surprised and seized by the Dutch 11

remaining in India, or on their homeward passage 25

86

The Company stated to Parliament that, instead of exporting all the silver authorized by their charter, which in the twenty-one years would have amounted to £910,000

they had sent only 613,681

and they had exported woolen goods, lead, iron, tin, and other }
merchandize, to the amount of } 319,211

The cargoes of the 36 ships returned cost in India 375,288

and the proceeds of them in England amounted to 2,004,600

The difference between these two last sums goes for the expense of ships, provisions, and stores, wages of captains, officers, and seamen, and of factors, payment of his Majesty's customs and imposts, with a variety of other charges, and for the Company's profit; all the sums so paid being expended within the country, which is further greatly enriched by the exportation of India goods, whereby more money is returned to England from foreign countries than the prime cost of all the India goods imported for the consumption of England and the exportation taken together.

These

These two views of the state of the India trade and of the Company, about a hundred and ninety years ago, as given to the Public by an eminent member of the Company, and to the Parliament by the Company officially, are useful and interesting, when compared with similar accounts in the present times, the sales of one year amounting now to about five times as much as those of all the twenty-one years, the increase of shipping, &c. being in proportion. But every thing must have a beginning ; and it is pleasing to contemplate the progress from a small plant to a great and flourishing tree.

The ready condescension of King James in complying with the requests of his courtiers was frequently productive of uneasiness and damage to the Company. On the 14th of September he gave a charter to Sir William Heydon and Charles Glemham, whom he calls servants of the Prince, as being singularly qualified to satisfy the desire of the Great Mogul, who had moved him by sundry letters to gratify him with some choise arts and rarities unknown in his own country, as possessing laudable, industrious, and hopeful, means of acquiring riches by sea and land, ‘ without giveing just offence to any,’ by recovery of wrecked treasure, pearls, and other riches, in the seas, &c. &c. and they being ready and willing to advance the trade in India, ‘ as their own occasions shall permit, or *as they shall be desired by our marchants of London trading into the East Indies, their factors or ministers,*’ they are authorized to send out two ships to the countries between the Cape of Good Hope and the southern extremity of America, and there to sell their goods, and in return to import gold, silver, pearls, jewels, or what they shall think fit, for behoof of themselves and their associates.—They are required, however, not to import certain articles of merchandize, of which they are to get a list from the Privy Council. [*Fædera*, V. xvii, p. 407.]

I do not know, whether this new East-India Company, who were authorized to invade the Company’s privilege, and at the same time directed to regulate their conduct as they should be desired by the Company, ever fitted out any vessel for India, their charter, or commisson, being the only notice I have found of their existence.

The principal object of the Company in establishing a factory in Japan * was to form a commercial intercourse with China, and to carry on a general trade between India, China, and Japan. But, being disappointed in their endeavours, and finding the trade of Japan not near adequate to the expense attending it, they resolved in the year 1623 to withdraw the factory, notwith-

* See above, p. 90.

standing the kind reception given to their people by the Emperor, who in the year 1616 had granted them a second charter, containing privileges for a general trade.

The Dutch have been accused of attempting about this time to make a general massacre of the Englishmen at Firando in Japan, who were preserved from their treachery by the friendly interposition of the Japanese.

The Dutch were not the only enemies the Company's servants had to encounter in India. The Portuguese, in virtue of having made the first voyage to India by the Cape of Good Hope, pretended to have a right to exclude all other nations from navigating the Indian seas : and, in maintenance of their pretensions, they seized all the English and Dutch vessels they were able to overpower, though the King of Spain, then their Sovereign, was at peace with Great Britain and Holland. In the course of their Indian warfare the Portuguese suffered many ignominious defeats from the inferior forces of the English East-India Company, who always took care to allow them to be the aggressors, agreeable to the terms of their commissions, which enjoined them never to fight, *except in their own defence*, King James being at peace with all the Christian Princes in Europe.

The Portuguese, having fortified the island of Ormus, which is situated in the entrance of the Persian Gulf, and commands the navigation of that sea, plundered all vessels belonging to the English or any other nation, who presumed to sail without having their licence. Shah Abbas, the Emperor of Persia, resenting a conduct so insulting and injurious to himself and his subjects, partly invited, and partly, by having their property within the grasp of his power, compelled, the commanders of the English ships then in the Gulf, and the merchants settled in his dominions, to join his forces in an attack upon Ormus ; and he promised, that, in case of success, the place should be put into the Company's hands, and that they should receive one half of the customs of the port, on condition that they should keep the Gulf clear from pirates. The island was taken in May 1622 ; and it was reported, though erroneously, that the Company's share of the booty amounted to a large sum *. After the capture of Ormus the seat of the trade was removed to Gombroon on the main land of Persia ; and the Company enjoyed the revenue of the customs, agreeable to the stipulation, till a war broke out between the Emperor of Persia and

* Purchas, in a marginal note on p. 1805, says, ' I have heard that the English had for this service of the King of Persia 20,000 pounds.' But Hamilton [*Hist. of India*,

V. i, p. 104] and others make the plunder so prodigiously great, that, they say, the money was not counted, but measured out by hoat-loads.

the Great Mogul, when the customs were resigned to the Emperor for an annual payment of £3,000 sterling.

In the year 1624 the Company, understanding that the Portuguese were preparing a fleet for the purpose of taking revenge for the loss of Ormus, ordered a respectable fleet to be fitted out for India, which might be able to maintain their conquest. But when the ships were ready to sail, the Duke of Buckingham, Lord High Admiral of England, obtained an order of Parliament to lay an embargo upon them, whereby he compelled the Company to pay him £10,000, before they could get leave to dispatch their fleet *.

About the same time the Company were attacked in Parliament, chiefly upon the charge of draining the country of money to the amount, as was alleged, of £80,000 yearly †. On this occasion a paper was printed and circulated among the members, wherein the charges against the Company were stated and answered with briefness and perspicuity.

The following are the charges.

I) The Company export the treasure of the kingdom, whereby it is impoverished.

II) They destroy the timber of the country by building exceeding great ships.

III) There is a decay of mariners by means of their voyages.

To these charges the author of the paper made the following answers.

I) The Company export no other money than foreign silver, procured from other countries, agreeable to their charter, which expressly prohibits them from exporting the coin of this kingdom. If they did not purchase the Spanish coins, the merchants, who import them, would find another market for them. If the Government shall think proper to dissolve the Company, the Dutch will immediately get possession of their trade, and will purchase all the foreign money now procured by the Company, whereby our nation will forego the honour and advantage flowing from the trade. The silver exported by them is not near so much as their charter authorizes them to carry out: and it is expected that the quantity of it will be still less in future, partly owing to the united efforts of the English and Dutch Companies to reduce the prices of

* When Buckingham was impeached in the year 1626, this was one of the charges brought against him. His answer was, that much more was due to him, and that he had expended the whole sum, except £200, upon the King's navy.

† This sum, alleged to be *annually exported* by the Company, is equal to about two thirds of the whole bullion really exported by them in all their twelve first voyages, and about seven times as much as was exported in the year 1614. See above, pp. 92, 95.

India goods, and partly to an agreement made by the factors with the Persians, that they shall receive one third in money and two thirds in English or India merchandize in exchange for their commodities. Neither is the money exported by the Company sunk without a return ; for much more money is brought into the country for the surplus of the India goods imported, which can be spared after supplying the consumption of the kingdom, than the original cost of the whole. And when the importation of Persian raw silk, indigo, and calico, shall be enlarged, of which there is a good prospect, vast sums will be saved to the country, which are now sent to France and Italy for silk only *.

II) Timber cannot possibly be employed in any nobler service than in building ships. . Wherever timber is cut down, new trees arise ; but the demand for timber has made no advance in the price during fifteen years past. Besides, if timber is not cut down when it has attained its full growth, it afterwards decays. The larger the ships are which the Company build, the more capable they are of being serviceable to the state upon any emergency : and, in answer to the objection that the Company's ships are not at hand when they may be wanted, it is to be remembered, that the only use of ships is to move from port to port ; that no enemy can ever carry on his designs so secretly as to prevent intelligence of his preparations from transpiring, and the Company's ships, which commonly require four months to get them ready for sailing, can be stayed, if they are wanted for the service of the state. Moreover, for the use of their ships they constantly keep in readiness a magazine of stores suitable for ships of war, to the value of £30,000, of which the state can have the use in case of any sudden necessity.

* From the general diffusion of a more enlightened system of political economy in the present day, it may be thought that the solicitude of the Company to repell the charge of draining the country of the pretious metals was superfluous. But in the middle ages, and even down to our own younger days, gold and silver, jewels and pearls, were supposed the most valuable things in the world, and the legislators of almost every part of Europe made laws to force them into their own country, and to confine them within it ; whereas, in reality, they are of themselves among the least valuable of our possessions. Let us for a moment suppose (though it is an absolute impossibility) that all the innumerable millions of

gold and silver, which Spain and Portugal have drawn from their American mines, could have been retained by the operation of their injudicious laws within their own peninsula. What would be the consequence ?—A loaf of bread would cost a hundred dollars on the south side of the Pyrenean mountains, and less than the tenth part of one dollar on the north side of them.—Whoever does not know that the pretious metals, like water, must and will find their natural level, knows nothing of political economy, and is utterly unqualified to form an opinion upon the national advantages or disadvantages attending the possession of gold and silver.

III) The trade of the Company greatly increases the number of mariners ; and their navigators are eminent for the superiority of their skill and experience, in consequence of the greater length of their voyage, and the greater variety of climates, currents, and periodical winds, which their business has rendered familiar to them. The Dutch East-India ships carry out many more men than the Company's ships. Moreover, the Company take landsmen for a third, sometimes a half, of the complement of every ship, and these in time become seamen, whereby the number of English seamen is not decreased, as is alleged, but on the contrary augmented, not merely by the number of landsmen converted into seamen, but by the whole number of men employed in the India trade, which is a new, and additional, fund of employment for them. Neither are these the only means by which the East-India trade has augmented the national stock of seamen : the exportation of the surplus merchandize of India to various parts of Europe gives employment to many vessels and seamen, and thereby makes a further important addition to the commerce and naval strength of the kingdom.

In Parliament it was stated, that the consumption of the country requires only one quarter of the goods imported from India, and that the raw silk, dye-stuffs, and other raw materials, which constitute a considerable part of that quarter, give employment to our own people ; that the remaining three quarters are exported, and more India goods are now carried from England to the Mediterranean than used to be brought from it to England, whereby, besides employing shipping and seamen, great benefits accrue to the merchants and to the country in general.—That, instead of paying £500,000 annually to Holland and France for linens *, lawns, and cambrics, half the consumption of those articles is now superseded by the use of India calicoes ; and foreigners now pay us money for the cloths they formerly received in payment for those goods.—It is alleged that a great deal of money is thrown away for Indian spices : but Indian spices were bought before we imported them ; and, if we shall cease from importing them, they will still be bought ; but then they will cost the nation five times as much as they now cost, and that mostly in ready money.—Lastly, his Majesty's customs are very much augmented by the India trade and the other branches of trade connected with it, or dependent upon it, whereby the nation at large is benefited, even when the Company themselves happen to be losers.

* It was not till many years after the time now under our consideration, that the Irish and Scots were persuaded to consider the linen manufacture as their national staple.

Dutch allies to the amount of about two millions. In consequence of this unfavourable state of their affairs, they found themselves indebted at home to the amount of £200,000, and had serious thoughts of calling home their property from India, and bringing their affairs to a final close.

These thoughts were suspended by the circumstance of three Dutch ships from India, having onboard some of the perpetrators of the massacre of Amboyna, being seized at Portsmouth in September 1627. The Company requested an order from the Privy Council for apprehending the murderers, which was granted by the Council, but kept back by their secretary till two of the criminals made their escape. The Company, being discouraged by this management, and unable to come to any determination respecting the continuance or discontinuance of their trade, in the mean time gave permission to such of their members, as chose to adventure, to ship cloth and tin for Persia on their own separate account.

The time limited for the duration of the second joint stock having expired at Christmass 1627, a motion was made on the 21st of January following for raising a new stock ; but the proposal was not sufficiently supported to be carried into effect.

The Company, having been much aspersed about this time by injurious representations of the nature and tendency of their trade, endeavoured to bring the matter to a crisis by a petition to Parliament, wherein they prayed, that, if the House should find the trade detrimental to the kingdom in general, it might be abolished ; but, if it should appear to be advantageous, it might be supported and encouraged by a declaration of Parliament in its favour *. Unfortunately the consideration of the petition was prevented by a sudden dissolution of Parliament.

The threatening aspect of public affairs, and the unpromising appearance of the Company's trade, reduced the price of their stock in May 1628 so low as *eighty* per cent.

The attempt for raising a third general joint stock having failed, a subscription was opened in December 1628 for a particular voyage to Persia and India, the accounts of which were to be kept distinct from all others. A small capital

* From this petition we learn, that in the year 1626 the Company had erected mills and houses for making gun-powder from the saltpetre imported by them, agreeable to a licence from the King ; that thirty barrels were made weekly at those mills ; and that the Company were

thought to merit the thanks of the nation for establishing the manufacture.

The petition, which was drawn up by Mr Munn in April 1628, being esteemed a masterly composition, was reprinted in the year 1641, on occasion of a fresh attack being then made upon the Company.

of £40,000 was raised by thirty subscribers, eight of whom were assumed into the court of Committees. Two more such subscriptions for particular voyages were afterwards made: and in May 1631 a fourth subscription was opened; but, only £11,000 being subscribed, it was dropt.

After several unavailing attempts to raise a third stock, it was at length accomplished in the year 1631; or, more correctly speaking, the subscribers then resolved to go on as well as they could, rather than allow the trade to be lost to the nation, though the sum subscribed amounted only to £420,000. The subscribers purchased the outstanding concerns of the proprietors of the second stock in India and England at a valuation of twelve and a half per cent. This bargain exhausted nearly one half of their capital; and they saw no very encouraging prospect of the employment of the remainder of it, as the power and insolence of the Dutch were still increasing in India, and nothing was done in Europe or India, either by negotiation or by force, to curb their malevolence, except by the Company's own forces, who were no match for the Dutch in the Oriental seas. But they suffered no less severely by the machination of their opponents at home.

On the 12th of December 1635 King Charles granted a charter to Sir William Courten and his associates, authorizing them to send six ships, under the command of Captain Weddell, to Goa, Malabar, China, and Japan, and to trade during five years to the best advantage of themselves and all his other subjects, alleging, as a reason for establishing this new Company, that the old Company had neglected planting, settling colonies, and making fortifications for securing their trade, as the Portuguese and Dutch had done; whereby the trade had decayed, and he was disappointed of the advantages which he ought to derive from it. He directed them to send one of their ships from the Sea of Japan, in order to search for a passage home by the northern parts of the world; in consideration of which they should have half the customs and other benefits accruing from the countries to be discovered by them. [*Fædera*, V. xx, p. 146.]

When the Company remonstrated against the invasion of their right by the establishment of a new Company, the King made a declaration to them, that, though the ships were to be employed upon a secret enterprise, which could not then be revealed, they might rest assured that nothing disadvantageous to them was intended. But, when it was known that the new Company's ships were taking in goods proper for India, and that several factors, officers, and seamen, formerly in the Company's own service, were engaged to go out with them, they could not help allowing their confidence in the royal promise to be somewhat shaken.

They

They then presented a petition to the King, wherein they stated, that they had in India fourteen returnable ships, besides three going out, many of which were actually lying by and rotting by reason of the unusual scarcity of Indian merchandize, occasioned by a famine and pestilence, though they had large stocks in India and Persia ready to purchase homeward cargoes as soon as they could be obtained. But that, if others were to be allowed to go out to buy against them, the competition, in such a state of the market, could not fail to prove ruinous to both parties. They prayed, that if his Majesty was at all events determined to permit the ships to sail, he would at least debar them from importing spices, indigo, calicoes, silk, and other commodities imported by the Company, it being impossible for both to trade without the one Company ruining the other, or, indeed, without both being ruined. And, whereas his Majesty had laid his express commands on the petitioners to do their best for the continuance of the trade, in which they had laboured by their councils and the risk of their estates, they entreated him not to impute the desertion of it to them, they having, in that case, only to request to have three years allowed, agrèable to their charter, for calling home their ships and other property.

In April 1635 the new Company dispatched two ships, called the *Roebuck* and the *Samaritan*, *without any cargoes*, having received from the King a commission, which was not to be opened till they reached the latitude of the Canary islands. They proceeded to the Red Sea; and truth obliges me to relate, that there they plundered a vessel belonging to India. The consequence of this act of piracy was, that the Mogul Governor of Surat made reprisals upon the property of the original English East-India Company, wherever he could find it within his reach.

The other ships belonging to the new Company sailed to Macao, with a view to avail themselves of a treaty between the original Company and the Portuguese Viceroy of Goa, by which the English were to have free trade with all the Portuguese settlements in India, and also with their town of Macao, situated on an island in the Gulf of Canton, where they carried on a trade with China, a country to which the English East-India Company do not appear to have sent any ships till near half a century after this time. But the English adventurers were completely disappointed in their expectations of friendship and assistance from the Portuguese, who, as it afterwards appeared, availed themselves of the small intercourse they were permitted to have with the Chinese to make them believe, that all the English were ‘rogues, thieves, beggars, and what not.’

The English adventurers, finding that there was no good to be done at Macao, sent a barge and a pinnace with fifty men up the bay towards Canton,

the principal commercial city on the south coast of China. Near the entrance of the river, upon which that city is situated, they met a Chinese fleet, the commander of which desired them to anchor, and appointed one of his own vessels to carry Captain Carter, the commander of the party, and two other officers, up to Canton: but, before they reached the city, they were desired to return to Macao, and thence to send up their petition for licence to trade. They thereupon returned to their ships, having made a chart of the river and bay. In a consultation, held onboard the Admiral ship, it was resolved that the whole fleet should sail up to the river. On their arrival in it they were accosted by some Chinese officers or magistrates (called mandarins * by Europeans) who promised to promote their solicitation for freedom of trade, and to obtain an answer for them in six days. But the Chinese, instead of fulfilling their promise, employed the time in carrying cannon into a fort situated on the side of the river near the ships, from which they fired upon an English barge. The insult was immediately revenged by the ships, from which were landed a hundred men, who drove the Chinese garrison out of the fort, planted their own colours upon the wall, and carried the cannon onboard their own ships. The English boats also seized some Chinese vessels, by one of which they sent a letter to the chief magistrates of Canton, expostulating upon their breach of faith, and again requesting liberty of trade, which was at last granted by Champin, stiled by the English the Admiral-general, who threw the blame of the ill treatment they had met with upon the misrepresentations of the Portuguese; whereupon the Chinese vessels and cannon were restored. But, notwithstanding this appearance of reconciliation, the English were declared to be the enemies of the empire, and it was decreed that they should for ever be excluded from its ports †. Such was the inauspicious commencement of the intercourse of the English with China.

In December 1636 the original Company, on receiving the news of their property at Surat being seized on account of the depredations committed by

* The genuine name is louthia, lothya, or loutea. See *Purchas's Pilgrimes*, V. iii, pp. 183, 200.

† The notice of the resolution to exclude the English from the ports of China is found in the account of the Dutch embassy to the Emperor in the year 1656, published by Thevenot. [*Voyages curieuses*, V. ii, p. 54.]: and the veracity of it seems to be supported by the bad treatment our countrymen were long subjected

to in that empire. Indeed, there can be little doubt that this unfortunate intrusion was the original cause, that 'of all foreigners frequenting the port of Canton, the English were 'certainly depicted in the most unfavourable 'colours to the government of the country, 'and probably treated with the greatest rigour 'upon the spot.' [*Staunton's Embassy*, V. i, p. 15, 8^{vo} ed.]

Courten's ships, laid the affair before the Privy Council, who promised them redress. They also commenced a prosecution against the parties concerned, which was interrupted in February by a message from the King, desiring that 'Sir William Courten may not be troubled on the subject of his ships.' Nevertheless, in May 1637 the Company petitioned the King, that the gold and silver, brought home in one of Courten's ships should be sequestered, in order to indemnify them for the injury they had sustained in consequence of the piracy.

Their applications for redress seem to have had little attention paid to them : for on the 1st of June 1637 the King confirmed the privileges granted to the new Company by a fresh charter, authorizing William Courten (son of Sir William, who was now dead) and his partners to trade to all parts of India, not resorted to by the old Company previous to the 12th of December 1635, but not to do any thing prejudicial to them in any other respect, with liberty to carry gold and silver bullion to India, not exceeding £40,000 annually, on paying a duty of one and a half per cent. [*Fædera*, V. xx, p. 146.]

I shall here lay before the reader a brief account of some of the other transactions of this 'pernicious and ill-fated Company.—In their first voyage they made a small settlement on the Island of Madagascar, which was afterwards demolished by the original Company.—They afterwards established a factory at Rajapore, in evident contradiction to that article in their own charter, which enjoined them to abstain from trading to those parts of India, to which the original Company's ships resorted.—Their factors at Rajapore having incurred heavy debts in the country, the money onboard one of their ships was seized for the benefit of their creditors.—In every part of India they had to struggle against the competition and opposition of the established Company, whose privileges they were invading, and also against the Dutch, the bitter and determined enemies of all Englishmen in the Oriental seas, by whom their factories were destroyed and two of their ships were taken.—In short, this Company, set up in direct violation of the dear-bought rights of an older Company, though they never did any good to themselves during the short period of their existence, by their interference in the trade, and the consequences of their piratical exploits, injured the original Company to the amount of £100,000, as it was estimated by the General Court of the Company in the year 1646. Many hundreds of their creditors in England were utterly ruined, or most grievously injured, by their failure : and they themselves stated their own loss at £151,612. It is a miserable trade, by which all parties are injured, and nobody gains any thing.

King Charles having engaged in a kind of holy war against his subjects of Scotland, and not being willing to have recourse to the only constitutional means of raising money by the authority of Parliament, was often reduced to great difficulties, and driven to many extraordinary shifts and contrivances to obtain money. In such a state of his affairs the East-India Company could not expect to escape. On the 22d of August 1640 Lord Cottington informed the Court of Committees, that his Majesty, being in urgent want of money for carrying on his war against the Scots, proposed to purchase the whole of the Company's pepper at their own price, and would give ample security for the payment. The matter was referred to a General Court, at which the Lord Treasurer and Lord Cottington presented themselves. After some debate the Court submitted to the demand : and Lord Cottington, Sir Paul Pindar *, and nine other gentlemen, became sureties for the payment. The pepper amounted to £50,314 10 8.

In order to connect the whole of this pepper transaction, I shall here observe that in the year 1642 a payment of £9,413 14 7 was made, out of the money arising from tunnage and poundage, ' to the East-India Company, in part of a debt owing to them by his Majesty for pepper bought ' by my Lord Cottington.'—In 1649, in consequence of the Company proposing to sue the sureties, some small payments were received.—In 1654 a proposal was made for selling the King's forest lands at twelve years' purchase, whereupon the Company agreed to subscribe £25,000 of the debt ; but nothing further was done till 1663, when a composition was made for the balance at twenty-five per cent. By this business the Company sustained a loss of £31,500 †.

The proprietors of the third joint stock, besides taking into their hands the remaining property of the second, as already observed, also took the concerns of the particular voyages to Persia off the hands of the proprietors, at the rate of 160 per cent for the first, 180 for the second, and 140 for the third.

On the 17th of April 1640 the Governor of the Company proposed a subscription for a fourth joint stock : and, finding his proposal coldly received by the members (which is not to be wondered at, considering the multiplied hardships they had to struggle with) he told them that the King was very desirous

* Sir Paul Pindar was one of the principal partners of the new East-India Company, set up against the original Company.

† It does not appear, as far as I know, that

the Company ever received payment of the £30,000 borrowed from them by the King in the year 1627. [*Baker's Chronicle*, p. 440, ed. 1679.

that they should make up a new stock. He afterwards waited on his Majesty, and represented to him the reasons of the Company's backwardness, which were—The want of satisfaction for the wrongs done by the Dutch—The imposition of new duties on India Commodities *.—The depredations of Courten's ships commanded by Cobb and Ayres in the Red Sea—The obligation upon the Company to sell their saltpetre to the King only, and at his own price.

Though the Governor repeated the proposal in June, when some prospect of a more favourable state of the Company's affairs was held out to the members, yet none of them could then be prevailed upon to adventure any further. In this unpromising state of their affairs their stock was sold so low as *sixty* per cent.

As the Company were unwilling to venture a fourth joint stock, a capital of £80,450 was raised for a single voyage, to be called *the particular voyage*. The gentlemen concerned in it agreed to pay to those interested in the third joint stock six per cent on their invoice prices for factorage, storage, &c. in India, and one per cent for management at home.

In the year 1643 the subscription for a fourth joint stock, which had long been in agitation, was brought to £105,000. The subscribers consisted of such of the proprietors of the third stock as chose to bring in the remainder of their property in that stock, which had been previously valued at twenty-five per cent, together with what they chose to subscribe anew. With so small a capital little could be accomplished; and very little was attempted in the convulsed state of public affairs, the nation being then afflicted by a civil war between the King and the Parliament.

One of the baneful consequences of the distraction of the times was, that Mucknel, the commander of one of the Company's ships, in order to display his attachment to the King at the expense of his duty to his employers, carried the ship confided to him into Bristol, and made a present of her and her cargo

* On constructing a new table of rates for the customs, the rateable price of pepper (an article seemingly destined to be a continual source of uneasiness and distress to the Company) was advanced from 1/8 to 5/ a pound, whereby the duty, being charged *ad valorem*, was raised from one penny to threepence, while the selling price had fallen from 2/6 to 1/1, from which deducting sixpence for freight and charges, there remained only sevenpence as the net price,

and only fourpence after deducting the duty of threepence, which thus appears to have been seventy-five per cent on the real price. It was alleged that the rates were raised so high in order to prevent the people from wasting their money in the purchase of foreign luxuries. It may be doubted, however, whether the people were sufficiently thankful for such kind and zealous attention to the preservation of their money.

to the King, in order to support his war against the Parliament. By this act of infidelity the Company lost £20,000 : and their little stock was further diminished about this time by the wreck of another ship, valued at £30,000. By these and other disasters the Company were reduced to the greatest distress, and to the necessity of borrowing at home, and making use of their credit in India, where it was undoubted.

Such events would scarcely be worthy of being recorded, if the Company had never emerged from the state of depression, approaching almost to annihilation, to which they were reduced during the sanguinary war between the King and the Parliament, when science, commerce, and humanity, were laid prostrate at the feet of political and fanatical fury.

The Company had for some time possessed a factory at Armegon (or Durasapatnam) on the coast of the Carnatic. But, having obtained a grant, on the 15th of November 1643, from the Sovereign of the country, by which he ceded to them the town of Madraspatnam, about sixty miles south from Armegon, with the liberty of carrying on their own trade without paying any customs, and dividing the customs paid by other traders equally between themselves and the Prince, they removed the factory to their new acquisition, and immediately built Fort Saint George for the security of the settlement, which has become very extensive, populous, and flourishing, in consequence of the superior encouragement and tranquillity, enjoyed by the native manufacturers and by traders of various nations, under the protection of the Company's government. The city, better known by the shortened name of Madras, was long the seat of the Company's supreme government in India.

During the existence of the fourth joint stock the Company were kept in continual expectation of a parliamentary confirmation and protection of their trade, which were, however, put off from time to time during six years, the only fruit of their solicitation in all that time being an assurance, given them in September 1646, that M^r Courten and his partners should not be permitted to send any more ships to India, and should be obliged to make an end of their trade after being allowed three years to bring home their property.

The following is a state of the affairs of the fourth joint stock on the 4th of September 1646.

Lost in the John by the treachery of the commander in taking her into Bristol	} £ 20,000
Lost by the wreck of the Discovery	30,000
Paid in Interest	35,000
	<u>£ 85,000</u>
	Debts

Debts due by the Company in England £ 122,000

The Company's effects consisted of

Quick stock at Surat	£ 83,600
Ditto . . at Bantam	60,731
Shipping	31,180
Customs at Gombroon	5,000

£ 180,511

It was estimated that the profits of the quick stock would be sufficient to discharge the debt, and leave a clear capital of £180,000 in money, merchandize, and outstanding debts in England and India, independent of the sum owing by the King for pepper.

On the 27th of September 1649 a subscription for a new stock was opened. It was proposed that the duration of it should be limited to five years, and that no vessel should be sent to India after the 1st of May 1653. The proprietors were, as in former cases, to take the remains of the preceding joint stock into their own stock.

The progress of the subscription was suspended, in consequence of an application being made to Parliament by some persons for an act to enable them to settle a colony upon Assada, which being apprehended to be injurious to the Company, they petitioned Parliament on the 30th of September to prevent the intended colony, or to oblige the conductors of it to give security to indemnify them for the damages they might suffer by it. At the same time they again prayed that an act might be passed for the encouragement of their trade.

On the 31st of January 1649-50 the Parliament, who now governed the country without allowing the King to have any authority, voted that the trade to India should be carried on by a joint stock, to be named *The United Stock*. Copies of the votes were sent to all parts of the kingdom in order to encourage subscriptions; and subscription books were sent to the Parliament, and the Council of State: but no member of either of these bodies subscribed any thing. On the 13th of March the amount of the subscriptions was only £191,700.

The Dutch having abandoned a settlement they had formed on Saint Helena, the English Company took possession of it in the year 1651. This small island, which in remote ages has been raised from the bottom of the Ocean by a volcano, is blessed with a salubrious air and many rivulets of excellent water; and its little vallies feed considerable numbers of cattle, and produce tropical fruits and

and other vegetables in abundance. By these accommodations it is rendered a comfortable resting place for the homeward-bound India ships : and for that purpose (for it is productive of no other benefit or profit) the Company have ever since * kept up a competent civil and military establishment, with a sufficient population of planters, whose provision of refreshment for the ships calling there forms the whole trade of the island.

The same year the Parliament gave the Company a charter for the trade of Guinea during five years, whereupon they established factors in the forts erected by the African Company, where their goods were exchanged with the Negroes for gold, which about this time their ships carried to India instead of silver, which was not then to be got. They even erected two new forts, though, it is said, the stock they allotted to their African business did not exceed the small sum of £17,400. They also compounded with the separate African traders by giving them licences, for which they received an acknowledgement of ten per cent on the value of the cargoes, or three pounds for every tun of the burthen of their vessels.

After the expiration of their short term of five years, the Company kept up their African concern for a few more years, by agreeing with the African Company, who had long been quite inefficient, to pay them a sum of money for the small remainder of their charter, which would terminate in the year 1662.

In February 1652-3 the Company agreed with some persons, who were preparing for a voyage to India in violation of their charter, to take their ship and goods off their hands : but afterwards, finding the adventurers determined to proceed upon the voyage, they obliged them to find security to do nothing to their prejudice.

In December 1653 some of the members of the Company, considering the doubtful state of their affairs, proposed a question to the General Court, whether, if no more ships were to be sent out on the general account of the Company, the individual members might not send out ships on their own account as freely as the private interlopers. It was answered, that they might send vessels to India on giving security to respect the privileges and immunities of the Company. But in January following the Court, having reconsidered the affair, were of opinion that they were not empowered to authorize such voyages, seeing the Parliament had ordered that the trade should be carried on upon a joint stock.

* It was taken by the Dutch in the year 1672, and in May 1673 it was retaken, and three Dutch East-India ships along with it.

Except these few months, it has never been out of the Company's hands since their first settlement upon it.

The animosity, which had long subsisted between England and Holland, was carried to an extremity by the English Parliament passing an act in the year 1651 *For the encouragement of navigation, and prohibiting the importation of any foreign commodities, except in English bottoms, or those of the countries wherein they are produced.* The Dutch, who felt themselves much aggrieved by this act, their principal support being derived from the carrying trade, sent over Ambassadors to solicit a repeal of it. But, as they were the very people, against whom it was intended chiefly to operate, the Ambassadors, instead of obtaining any redress, found several demands made upon them, among which was satisfaction for the massacre of Amboyna, and for the many outrages and depredations committed upon the English East-India Company. A sanguinary war between the potent rival republics ensued, in which the Dutch suffered so severely in their ships of war and mercantile shipping, that they were glad to entreat peace upon any terms, which Oliver Cromwell, recently exalted to the office of Protector of the Commonwealth of England, Scotland, and Ireland, would please to prescribe.

On the 5th of April 1654 a treaty of peace was concluded, by one of the articles of which the Dutch became bound to execute justice upon those concerned in the massacre of the English at Amboyna, if any of them were remaining alive. And it was agreed that four Commissioners from the Dutch East-India Company should be sent to London to meet with four Commissioners deputed by the English Company, in order to adjust all claims of either party for injuries and damages suffered in the East Indies, Greenland, Muscovy, Brazil, or elsewhere.

The English Company thereupon made up an account of the damages sustained by the treachery and depredations of the Dutch, amounting to £2,695,999 19 0

besides the interest, which would amount to more than

the principal, and also

for four ships taken in the Gulf of Persia 100,000 0 0

£2,795,999 19 0

and they moreover demanded restitution of the islands of Pulo Roon and Lantore.

The Dutch Company's deputies afterwards presented their accounts, which they made amount to £2,069,861 3 6

to which they added, in order to make the balance appear

due to them,

for the English Company's third part of the expense of }
the siege of Bantam }

850,000 0 0

£2,919,861 3 6

The Commissioners, having considered all the claims on both sides, ordered, by their award dated on the 30th of August 1654,—That all offences and controversies should thenceforth be consigned to oblivion on both sides.—That all pretensions to restorations or redress of injuries should be cancelled; only that the Dutch Company should restore to the English Company the island of Pulo Roon in its present condition, the Dutch having liberty to carry away all their moveable property of every kind.—That the Dutch Company should pay to the English Company the sum of £85,000 in two payments, to be made in London before the 31st of January and 31st of March next following.—They also decreed, that the Dutch Company should pay several small sums, amounting in all to £3,615, to the heirs of twelve of the sufferers at Amboyna.

It appears that this award was not thought sufficiently conclusive; for in May 1655 the Protector and the States-General agreed that the consideration of many complaints, which had been passed over, should be resumed. But I have not learned what was the decision of the second session of the Commissioners, or if it ever took place.

Pulo Roon was, indeed, restored to the English Company, but in a condition to be of very little use to the possessors; for the Dutch, before they left it, grubbed up every one of the spice trees in the island; and, fearing that the English Company might effect a new plantation of those valuable plants, they again took it from them in the year 1664.

In October 1654 the Company presented a petition to the Protector, praying that he would grant them a confirmation of their privileges, and strictly prohibit unlicensed individuals from sending ships to India, which he promised to take into consideration: and in January following he gave them an intimation that he was disposed to support them in their rights. This was followed in July by a request that they would lend him the £85,000, they had lately received from the Dutch, for the service of the Commonwealth. The Court of proprietors thought it expedient to let him have £50,000 of the money, if it could be done legally. That sum was accordingly lent; and it was paid back on the 10th of the ensuing month*.

Notwithstanding the favourable countenance the Protector had shown to the Company, he allowed the representations of their enemies so far to prevail with him, that he virtually abolished their privilege by withholding his protection, and by conniving at the violation of it by every adventurer, who chose to fit out

* The loan and the repayment are vouched by the warrant for repayment, noted by Russell in his *Collection of statutes, concerning the East-India Company*, p. lvii.

ships for India. But it does not appear that there was any formal abrogation of the privileges of the Company in the year 1655, as has been asserted, or any formal grant to the interlopers, such as King Charles had given to Courten and his partners. The most successful of the private adventurers were some of the chief members of the Company, who made use of the permission given them in December 1653, and some of their principal servants, who availed themselves of the knowlege they had acquired in the service of the Company, whose interests were entrusted to their care and fidelity, to undermine their employers.

In this state of affairs the Company had no encouragement to prosecute their trade with vigour or great advance of capital : and what trade they did carry on was engaged in merely for the sake of preventing their privilege from expiring for want of using it, in hopes that they might afterwards be enabled to resume the trade with effect.

The consequences of the scramble for the trade of India, which had now gone on several years, were—That English commodities bore no price in India, and the prices of Indian produce and manufactures were raised enormously upon the rival English adventurers, who were also prodigiously imposed upon in the article of presents, a branch of expenditure, sanctioned by antient custom in all Oriental countries, which requires the support of a large capital, and yet was increased upon the multitude of petty capitals.—They were also subjected to many insults and indignities by the governing powers in India, as soon as they discovered that the people they were dealing with did not belong to the great Company, whom they had learned to respect.—When the adventurers got their India goods safely landed in England, and the duties paid for them, they felt themselves again exposed to all the evils of inordinate competition. The demand in England was not sufficient to take off the quarter of their goods, however low the prices might be * ; and they were obliged to export them to all parts of Europe, even to Amsterdam, in such excessive abundance, that they depressed the value of the capital of the Dutch East-India Company, who are said to have made interest with Cromwell to restrain the unlimited resort of adventurers to India. At last those of the separate adventurers, who had still some part of their capital remaining, became themselves the most earnest suitors for the

* Some people will say, that the glut, which enabled the buyers to get their goods very cheap, was not a loss, but an advantage, to the country at large. Those people do not consider, that the saving made by getting spices and muslins at half price, or even for nothing,

was but a trifling benefit to the individual consumer : but the ruin of the adventurers and their creditors, and all their families, was a most grievous and extensive evil. *Est modus in rebus.*

restoration of the trade to an exclusive Company with a joint stock, of which they might become members.

In the mean time the Company, in a General Court held in October 1656, had actually proposed to offer their privilege and fixed property to sale, if they should not succeed in an application to the Protector for an effectual confirmation of their charter. The Protector referred the consideration of their petition to his Council, who, after much argument for and against it, seemed rather favourably disposed to the establishment of a joint-stock Company. But the Company, having been very often put off from day to day for a definitive answer, and apprehensive that, after all, nothing would be done, determined on the 14th of January 1656-7 to put up bills in the Royal Exchange, offering their privilege and dead stock in India to sale.

Their determination probably was the means of bringing forward the lingering decision of the Council, who in February passed a vote for carrying on the trade with India by an exclusive joint-stock Company, and laid a draught of the proposed charter before the Protector for his consideration. The Company were thereby encouraged to withdraw the notice for the sale of their privilege and stock. The charter, however, did not receive the confirmation of the broad seal till October 1657.

The capital of the Company, now established by authority of the existing Government, was £739,782 10 0; but only one half of the sum subscribed was called for, so that the real efficient capital was no more than £369,891 5 0, with which they agreed to trade for a term of seven years certain. Seeing their privilege now sanctioned by the supreme power, they resumed their commercial operations with a spirit and energy, which for many years they had been obliged to repress.

There was, however, one branch of their trade in which they were obliged to make a considerable reduction. Since the first introduction of India calicoes, they had been found so beneficial in lessening the demand for foreign linens and keeping down their price, that great quantities of them were imported by the Company. But the demand for them, though very great, could not be expected to take off the prodigious quantity, wherewith the separate traders had overwhelmed the market, and which was sufficient for the consumption of several years to come; and therefor the Company sent orders to their factors in India to ship only one quarter of the quantity of that species of goods, which they formerly used to send*.

During

* At this time the quantity of linen manufactured in the British dominions was so trifling

as not to be equal to, perhaps, the thousandth part of the consumption; and thence it was evidently

During the interruption of the trade, many of the Company's ships were worn out, and they had desisted from building. The private traders would gladly have sold their ships to the Company, but they were not either sufficiently large or substantial for such voyages: and thus they were much at a loss for proper vessels, till the activity of their own builders again supplied them with ships adapted to their service.

In the infancy of the Company's commerce Bantam was the chief factory, to which all the others were subordinate; and so they continued till the year 1638 or 1639, when Surat became the chief establishment, and the factories of Bantam, Fort Saint George (or Madras), Hooghly in Bengal, and those in Persia, were made subordinate to it. In the year 1660 the Company sent out orders to give up the inland factories of Agra and Amadavad, as also Mocha in the Red Sea and Bussorah at the head of the Persian Gulf. Their port of Gombroon being of doubtful utility, it was referred to further consideration, whether it should be kept up or abandoned. It was determined to retain Carwar, Calavella, Rajapore, and Scindy as long as the customs in Persia should continue to be paid; and these factories were made subordinate to Surat. The factories on the coast of Coromandel and in the Bay of Bengal were put under one agent at Fort Saint George (or Madras), who was directed to use his best endeavours to obtain a settlement in Ceylon.

When the Company presented their congratulatory address to King Charles II upon his restoration, they accompanied it with a service of plate of the value of £3,000; and they presented another worth £1,000 to his brother, the Duke of York.

On the 3d of April 1661 the King granted the Company a new charter, the principal motive for which was probably the opportunity of cancelling the one they had lately obtained from Oliver Cromwell. The name of *The Company of Merchants of London trading into the East Indies*, was still retained, as were also the regulations for the government of the Company, the admission of the sons and apprentices of the members, and of the factors employed by the Company; and most of the other articles of Queen Elizabeth's original charter were repeated. The quantity of money they were licenced to export annually was now enlarged to £50,000. It was determined by the charter, that every proprietor of £500 in the stock should have a right to a vote, and that the proprietors of smaller

evidently good national economy to encourage the use of India calicoes, which were much cheaper than linen. Afterwards it was thought exped-

ient to make the linen manufacture the staple of Ireland and Scotland; and then the same policy discouraged the use of calicoes.

portions.

portions might unite their stocks to make up a vote.—The Company may freely enjoy all plantations, forts, factories, &c. made or acquired by them in India, and may erect new forts in India and Saint Helena, and appoint Governors and other officers, and also Judges, who shall try civil and criminal causes within their jurisdictions.—The Company are authorized to make war and peace with any people, not being Christians, within the limits of their trade, and to carry out to their settlements as many men as they think proper, who are willing to go.—They are also authorized to seize all English subjects sailing in any English or Indian vessels, or residing in India without their permission, and to send them to England.

The seven years, to which the Company had limited the duration of their trade, being expired in the year 1664, the members were informed, that any of them who wished to draw out their capitals, might now do it: but no one chose to avail himself of that permission, though the arts of their opponents had so far prevailed with the Public in depressing the reputation of the trade that their stock had fallen to seventy per cent. Although none of the partners chose to go out, it was nevertheless necessary and proper to make up the accounts of the transactions of the seven years, upon the balance of which it appeared, that they possessed

in INDIA	in quick and dead stock	.	.	.	.	£435,713
in ENGLAND	in Cash and bullion	.	.	.	.	£37,663
	Drugs	.	.	.	.	3,885
	Pepper, &c.	.	.	.	.	822
	Piece goods	.	.	.	.	11,375
	Saltpetre, &c.	.	.	.	.	12,393
	Advances for exports	.	.	.	.	9,227
	Household furniture	.	.	.	.	112
	Lease of house in Leadenhall street	.	.	.	.	1,000
						<hr/> 76,477
	Owing for goods sold	.	.	.	.	127,935
	Other debts	.	.	.	.	21,316
						<hr/> 225,728
The Company owed	.	.	.	.	£165,807	
Their net estate was	.	.	.	.	495,634	
					<hr/> £661,441	
Total	.	.	.	.		<hr/><hr/>£661,441

The Company's clear stock thus appearing to be 30 per cent above the real original capital of £369,891, it was agreed that books should be opened for a
new

new subscription at £130 for every £100 of capital. But nobody came in, and every thing respecting the stock stood as it was before.

In the year 1662 King Charles II married a Princess of Portugal. By the contract of marriage he was to receive, besides a portion of £500,000 in money, the town of Tangier in Africa, and the island of Bombay with its dependencies in India, and also a permission for his subjects to carry on a free trade with all the Portuguese settlements in India and Brazil. The King sent the Earl of Marlburgh with a proper force to receive his island of Bombay, which he proposed to reserve to himself as part of his own demesne. But the Viceroy of Goa, at the instigation of the priests, who could not endure the thought of surrendering their possessions to heretics, made pretences for evading the delivery till two years after the arrival of Marlburgh. It was soon discovered that the King had made a very unprofitable acquisition, and that the East-India Company were much injured by the trade carried on by the people in the King's service, who sold European goods, for which they paid no freight, much lower than the Company's factors could sell theirs. For these reasons on the 27th of March 1669 the King made over his port and island of Bombay to the East-India Company, as absolute lords and proprietors thereof, on their repaying him his expenses upon it, and paying a fee-farm rent of ten pounds at the custom-house on the 30th of September in all time coming.

About this time the Company agreed with the King of the Deccan to pay him duties on their merchandize at the rate of one and a half per cent. They also established a factory at Biliapatan, with the approbation of the King of Cananore. In the year 1670 they settled a factory at Tywan, on the west side of the island of Tywan, or Formosa, in consequence of a grant from the King of that part of the island, hoping by means of it to restore the commercial intercourse with Japan*.

At the time when the Protector's Council had come to the resolution of restoring and confirming to the Company the enjoyment of their privilege, Thomas Skinner, a merchant of London, fitted out a ship, in which he arrived in India in the year 1658, and purchased a small island, called Barella, from the King of Jambee in Sumatra, where he established himself. The Company's agents, in virtue of their charter, seized his ship, his island, and his goods; and he was obliged to find his way, mostly over land, to England. On his arrival he presented petitions for redress to the King and to the House of

* Some of the attempts made by the Company to establish a commercial intercourse with Japan have been already related, and others will be noticed in due time.

Peers. The Peers listened to his complaint, and desired the Company to put in their answer. The Company demurred to the legality of their Lordships' proceeding, as the cause had not come before them by appeal from an inferior court, and urged their privilege as a sufficient warrant for what was done by their agents in India. The Lords, however, in the year 1666 ordered that the cause should be tried before them: but the trial was put off till the year following; and then the Company complained to the House of Commons of what they conceived to be an illegal proceeding in the House of Lords. Their Lordships, highly offended at the attempt to evade their jurisdiction, immediately passed a decree in favour of Skinner, and ordered the Company to pay him damages to the amount of £5,000. The Commons, not less tenacious of their privileges, which, they said, the Lords had infringed in assuming the cognizance of a question of property in the first instance, passed a vote, declaring such conduct unprecedented and dangerous, and at the same time ordered Skinner into the custody of the sergeant at arms. The contest was now not so much between the Company and Skinner as between the two Houses of Parliament. The Lords resented the interference of the Commons; and the Commons resolved, that whoever should presume to carry their Lordships' decree against the Company into execution should be deemed a betrayer of the rights and liberties of the Commons of England, and guilty of a breach of privilege. The controversy was kept up with unremitting animosity till the year 1670, when the King persuaded both Houses to erase the whole of the proceedings upon the affair from their Journals. It is believed that Skinner never obtained any redress.

In the year 1669 the Company received from Bantam two canisters, containing $143\frac{1}{2}$ pounds of tea: and this is believed to have been their first importation of that article from any part of the Indies; for it does not appear that they had as yet any direct intercourse with China, the native country of tea. This trifling quantity was partly given away in presents, and partly expended in the house for the refreshment of the Committees.

As tea has become a most important object in the foreign and home trade of Great Britain, and also in the domestic economy of every family in the kingdom, it is presumed, that a very brief sketch of the earliest knowledge of it, and the introduction of it, in the western parts of the world, will not be deemed superfluous.

Tea ('sah') is mentioned as the usual beverage of the Chinese by Soliman, an Arabian merchant, who wrote an account of his travels in the East about the year 850. But we know of no further notice of it being conveyed to the

western

western parts of the world during many succeeding ages*: nor is there, I believe, the slightest mention of it to be found in the works of any European author earlier than the sixteenth century.

When the Portuguese were permitted by the Chinese Government in the early part of that century to trade at Sancian, we may believe, that tea was one of the articles they purchased from the Chinese. But, if they brought any of it to Europe, it was most probably in so small a quantity as not to be considered as an article of trade: and no person of observation, who had been in the East, as far as I can find, has made any mention of it, or given any account of the manner of preparing and drinking it, in the eastern countries, prior to the Jesuit missionaries, who entered China and Japan, for the purpose of converting the natives, a little before the middle of the sixteenth century, and in some of their letters have described the productions of those countries, and the manners and customs of the people.

One of the most useful productions of China and Japan, they say, is a shrub called cha, cia, tchia, or thee, of the leaves of which the natives make their favourite drink. The leaves are gathered in the spring, and, after being dried in the shade, are preserved for dayly use. In China the drink is made by infusing the leaves in hot water, which imbibes the strength of them, and they always drink, or rather sip, it warm, even in the hottest weather. It is somewhat bitter to the taste, but very salutary, preventing several diseases, and favourable to longevity. They use cia not only at meals, but also whenever any visitor, whom they chuse to treat respectfully, enters their house; and if the visitor stays any time, the cia is brought a second, or even a third, time. The Japanese differ from the Chinese in their manner of preparing it: they put as much as a walnut shell would hold of the powder of the leaves into a gilded porcelain cup filled with hot water, and drink it warm, taking the powder as well as the liquor, whereas the Chinese throw away the leaves after extracting the strength of them. People of the highest rank prepare the liquor with their own hands, in order to do honour to their guests. They are very extravagant in their expenses for the utensils used in preparing and drinking their cia, and

* In the year 1487 the Sultan of Egypt sent a present of the most rare and valuable articles of Oriental merchandize to the illustrious Florentine merchant, Lorenzo de Medici, among which there were some large porcelain vases, undoubtedly the manufacture of China or Japan; but no tea, which that Monarch

seems either not to have known any thing of, or not to have thought worthy of being sent as a present to Lorenzo. Mr Roscoe has published an original letter, giving a particular account of the presents, in the Appendix to his Life of Lorenzo de Medici.

the apartment, allotted for entertaining visitors with it, is kept in the nicest order *. The cia is of various qualities, being sold from one to three pieces of gold for a pound in China, and in Japan there is some that is sold so high as ten or twelve pieces †.

It is probable that the Portuguese never imported any considerable quantity of tea. But the Dutch East-India Company paid some attention to it, as an object of commerce, soon after the commencement of their trade; and they probably supplied most of the very small demand of Europe during the greatest part of the seventeenth century. In the year 1641 we find the virtues of 'thee' celebrated by Tulpus ‡, an eminent physician and consul of Amsterdam, who was followed by several other physicians, among whom the most famous was Cornelius Bontekoe, who wrote in the year 1673. But, notwithstanding all their commendations, tea came so very slowly into request in Holland, that in the year 1670 the use of it was unknown in Dort, as we are told by Franz Valentyn, a native of that town, in his History of the East Indies.

The first authentic notice of tea, as an article of consumption in England, appears in an act of Parliament [12 *Car. II.*, c. 23] passed in the year 1660, whereby a duty of eightpence is charged on every gallon of chocolate, sherbet, and tea, made for sale; while coffee, and even foreign spiritous liquors, are charged only fourpence. Thus it is certain that tea was then used in England. But, that the use of it was new, and far from being general, or even generally known, appears from the following curious memorandum in the diary of M^r Pepys, the secretary of the Admiralty §.

* There is no mention of sugar or milk in these descriptions of tea-drinking, which in most other respects, except the Japanese fashion of drinking the powder, agrees pretty well with the management of it by the ladies of this country.

† The pieces of gold must have been very small; or the Jesuits were very much imposed upon.

The account here given is extracted from the epistles and works of—Saint Francis Xavier—Ludovic. Frois—Ludovic. Almeyda—Mat. Ricius—Trigautius—Linschoten—Maffei Hist. Indic.—Jarrig, &c.—I do not quote their numerous copiers.

Ricius suspects, that tea has not been used in remote ages in China, because he found no hieroglyphic for the name of it in their antient

books. But was he permitted, or was he qualified, to examine those books? Though his suspicion might be allowed to derive some degree of support from tea not being mentioned in the accounts of the travels of Sharok's Ambassadors to China, and also the silence of Marco Polo, all these negative presumptions must give way to the positive and unquestionable evidence of Soliman, which carries the use of tea back at least to the ninth century.

‡ The 'Observationes medicæ' of Tulpus consist of essays upon various diseases, and at the end of the work comes a chapter, rather unconnected with the rest, upon the herb 'Thee.'

§ M^r Pepys's curious and valuable manuscripts are preserved in the Pepysian library in Cambridge.

' Sept.

‘ Sept. 25, 1661, I sent for a cup of tea (a Chinese drink) of which I had never drank before.’

In the year 1662 King Charles II married a Princess of Portugal. It may be presumed that the new Queen was fond of tea, and rendered it more fashionable in England than it had ever been before, as the poet, Waller, in a panegyric ode on her birth-day, seems to suppose, that she introduced the use of tea in this country. He says,

‘ The best of Queens, and best of herbs * we owe

‘ To that bold nation, who the way did show

‘ To the fair region, where the Sun doth rise,

‘ Whose rich productions we so justly prize.’

He also supposed it endowed with the power of inspiration ; for he says,

‘ The Muse’s friend, Tea, does our fancy aid.’

It is evident that tea long continued to be brought to Europe in very small quantities ; for in the year 1664, the East-India Company, being desirous of procuring some rarities for presents to the King, made a purchase of *two pounds and two ounces of ‘ thea,’* (apparently all that could be got) which cost them forty shillings a pound. In the year 1666 they made his Majesty a more ample present of thea, consisting of $22\frac{3}{4}$ pounds, for which they paid fifty shillings a pound.

The duties, laid upon tea, &c. in the year 1660, were augmented by subsequent acts ; and they continued to be rated upon the quantity of liquor made from them till the year 1689, when, upon the visitations of the excise officers in the coffee-houses being complained of as vexatious and troublesome to the retailers, and their being also found too chargeable to the revenue, that mode of taxation was given up ; and instead of it a custom duty of five shillings on the *pound* of tea, besides the old subsidy of five per cent on the value, was substituted for it by the act 1 Gul. & Mar. sess. 2, c. 6. The duty was soon after lowered in order to prevent smuggling : but it was not long ere it was raised again, and came in time to be so high as to make tea the staple article of the smuggling trade.

In the year 1678 the Company imported 4,713 pounds of tea, which was then for the first time thought worth their attention as a branch of their trade. But it appears that *so large a quantity* glutted the market ; for the imports of tea in the six subsequent years amounted in all only to 410 pounds. The demand increased afterwards, though slowly ; and the tea was generally purchased

* For some time after tea became known in Europe, it was universally called an herb.

at the second hand in Madras and Surat, and only once in China, at the port of Amoy.

In the years 1697, 1698, and 1699, the average annual quantity of tea, imported by the Company, was under 20,000 pounds; and in the eight following years it rose to an annual average of above 60,000 pounds, the average price being above sixteen shillings a pound. From that time the Company enlarged their importation from India; and they also still continued to import some from Holland till the year 1724, when the importation from that quarter was reduced to four pounds. In 1721 the quantity of tea imported for the first time exceeded a million of pounds: and ever since, the importation, and the consumption, of tea in this country have been increasing*.

* Some who thought themselves philosophers and philanthropists, and others who supposed themselves patriots and political economists, have exclaimed against the use of tea, as pernicious to the health of the people, and at best an useless foreign *luxury*, for the acquisition of which the country is drained of its treasure. But, during the thousands of years that tea has been the general drink of the Chinese, it does not appear that they have found it pernicious to their health: nor is any such conclusion to be drawn from the experience of almost a century, during which it has been in common, and more lately in universal, use in this country. On the first introduction of it, the high price certainly rendered it a *luxury*, attainable only by the most opulent classes: but afterwards, and especially since the reduction of the duty in the year 1784, tea has become an *economical substitute*, to the middle and lower classes of society, for malt liquor, the price of which renders it impossible for them to procure the quantity sufficient for them as their only drink, though there were land enough to raise the quantity of barley necessary for such an increased demand, as assuredly there is not. Those who say that we may take milk for breakfast, as our ancestors did, before the luxury of tea was known in the country, have not considered the increased population of the country. So great an expenditure of milk, as they propose, can scarcely be supplied to

large towns, from any part of the neighbouring country, near enough to admit of carrying it in a fresh state; and in London, where the present supply is with difficulty procured, and at an enormous price, an augmentation to the extent of five or six times the present quantity is an utter impossibility. Others thoughtlessly quote the story of Queen Elizabeth's maids of honour eating beef steaks to breakfast. Those very people probably think their beef dear enough already, and are not aware that they are advising a duplication of the price of it, or a duplication of the price of bread corn, supposing as much corn land turned into pasture as would produce the required additional quantity of beef at the present price: for, in such speculations, it is necessary to remember, that the same land cannot at once produce corn and cattle. In short, we are so situated in our commercial and financial system, that tea, brought from the eastern extremity of the world, and sugar, brought from the West Indies, and both loaded with the expenses of war freight and insurance, and charged with duties equal to, or exceeding, the whole value of the articles, compose a drink cheaper than beer, made of barley and hops growing in our own fields. The declaimers against the exportation of treasure, it is hoped, will be satisfied with the arguments to be found in some late publications, proving that metallic money is a burthen upon the commerce of the country.

On the 31st of January 1671-2 the Nabob of the Carnatic made over to the Company his remaining moiety of the customs of Madras for a fixed annual rent of 1,200 pagodas. The increase of the commerce of the place has rendered this a beneficial bargain for the Company. It was not long after this that the neighbouring King of Golconda released the Company entirely from paying any customs in his dominions.

King Charles having declared war against the Dutch in the year 1672, the Company were obliged in the following year to send out six thousand men to defend their island of Bombay.

The Company's trade having been very successful for some time bypast, the members agreed in the year 1676 to add as much of their accumulated profit to the capital as would double it; and thus their capital stock was immediately raised from £369,891 5 0 to £739,782 10 0; whereupon the market price of the stock, which had lately been much under par, immediately rose to 245 per cent.

Notwithstanding the recent experience of the distress brought upon individuals and the community by the uncontrouled licence of private trade with India, a fresh clamour was raised against the exclusive privilege and joint stock of the Company. In answer to a pamphlet written against the Company, which attracted much of the public attention, a vindication of their trade was published in the year 1677 (supposed by Sir Josiah Child), which gave the following view of their affairs at this time.

The Company employ from thirty to thirty-five ships, of from 300 to 600 tuns burthen, and carrying from 40 to 70 guns *, which are a great addition to the maritime power of the country.

Their imports in the season 1674-5 were

Calico, pepper, saltpetre, indigo, raw silks, wrought silks, drugs, &c.

to the value of	£860,000
from which deduct for factors †, forts, and other expenses } in India	60,000
	<hr/> 800,000

The goods imported in private trade by the officers and seamen, } consisting of diamonds, pearls, musk, ambergris, &c. amount- } ed at least to	250,000
Total Imports	<hr/> £1,050,000

* The guns must have been very light, if a ship of 600 tuns could carry 70 of them. In the present day none of the ships built for the Company's regular service are so small as 600 tuns, and the largest of them do not carry so

many as 70 guns, though they are of near twice as much burthen as the largest in the year 1677.

† The factors brought home what they could save of their salaries, and other earnings, which was also an addition to the wealth of the country.

Imports brought over £1,050,000

Their exports consisted of

Bullion £320,000

Woolen goods and other merchandize 110,000

430,000

And in private trade

Bullion about £80,000

Goods about 40,000

120,000

Total Exports 550,000

Thus there was an addition made to the national wealth by one }
year's trade of } 500,000

The exports of the Company's India goods amounted to about £630,000
and the whole, or nearly the whole, of the goods imported in priv- }
ate trade were exported, but say only } 200,000

making an addition to the national exports of * £830,000

the returns for which were nearly equal to twice the amount of the prime cost of the whole year's trade ; and the trade moreover gave employment to about 5,000 tons of shipping with a suitable number of seamen, and produced a profit, or two profits, to the exporting merchants, thereby further augmenting the wealth and maritime strength of the nation.

The amount of India commodities used for home consumption at this time is thus estimated.

Pepper, 180,000 pounds at 8d. £6,000

Saltpetre 30,000

Raw silk and wrought silks 30,000

Calicoes 160,000

Indigo and drugs 15,000

£241,000

The pepper formerly cost $3/4$, and, as it comes only from India, if we were not to import it, but buy it from the Dutch, it would be raised as high as the spices, which they have monopolized. Saltpetre, so essentially necessary for

* Sir William Petty, who wrote about the same time, estimated the exports of India goods at £800,000, [*Polit. arithmetic*, p. 84] which agrees pretty well.

the defence of the country, would be at a monstrous price, or perhaps unattainable at any price in time of war, if we were to depend upon any country in Europe for the supply of it : and the many attempts made to procure it at home have produced only disappointment to the projectors, and vexatious oppression to individuals *. The importation of raw silk, which is supplied cheaper from India than from Europe, for the support of our manufactures, is surely beneficial. Wrought silks must be imported, till we can make them in sufficient quantity at home ; and those of India cost not above a third of the price of Italian and French silks. The same may be said of calicoes, as they serve instead of foreign linens, which would cost thrice as much. Indigo being a material for manufacture, it is unquestionably desirable to obtain it at the lowest price ; and the same may be said of drugs, the amount of which, however, is not very great.

Having thus demonstrated the national advantages accruing from the India trade, the author proceeds to consider the questions started upon the best method of conducting it.—Some insist on laying it entirely open ; and others propose that the India trade shall be conducted by a regulated Company, as the Turkey trade is.—To the advocates for open trade he answers by recalling to their remembrance the distresses produced by it between the years 1653 and 1657, whereby the proposal evidently appears as pernicious to the nation and the individuals, whom it professes to favour, as it is unjust in proposing to rob the present Company of their forts and establishments in India, and of their privilege, which have cost them prodigious sums, and cannot be taken from them without a shameful violation of public justice, and of the royal charters, on the faith of which the expense of acquiring them was incurred.—To the other proposal he answers, that Turkey is a great empire, subject to one Sovereign, where by one Ambassador residing at the metropolis, and a few Consuls in the trading ports to correspond with him, redress can be obtained for any aggression of the natives. But in India the case is totally different. The country is subject to a great number of Princes, independent of each-other, to every one of whom application must be made for commercial treaties by those who desire to trade in the country. Presents must be made to those Princes and their courtiers, the expense of which can only be born by a great joint stock ; and

* Repeated attempts had been made to obtain saltpetre by digging up the floors of houses, stables, and pigeon-houses ; and the people were obliged to admit the saltpetre men

to destroy their floors whenever they thought proper. Other projects were set on foot : but they were all equally unavailing.

they must sometimes be compelled to fulfill their treaties, which requires a force, that cannot be supported by the detached members of a regulated Company.

The fashion of wearing East-India muslins had now become pretty general among the ladies of this country; and they in a great measure supplanted the French cambrics, French and Silesia lawns, and other flaxen fabrics of Flanders and Germany, the prices of all which they also reduced very considerably.

About the same time the Company's trade gave birth to the business of printing India calicoes in England, in imitation of the painted chintses of India, another article of general use in female dress. This branch of manufacture soon rose to such a height, as to render unnecessary the India painted stuffs, the use of which, for the encouragement of British industry, has been prohibited in this country since the year 1700. Still the calicoes to be printed were imported by the Company, till of late years, that the printers have been supplied with their white calicoes from the British loom, working upon cotton yarn, spun by means of machinery invented by the heaven-taught genius, Arkwright, which enables the high-priced labour of Britain almost to compete in that branch of manufacture with the very cheap labour of India.

On the 5th of October 1677 the King granted the Company a new charter, containing a confirmation of their privileges, together with a power to recover damages for breach of contract from their servants and ship-owners*, and authority to coin money (not resembling British money) at Bombay and other places in India.

In the year 1680 we find the first notice of a ship sent by the East-India Company to China, the trade of which had been entirely monopolized by the Portuguese till lately, that the Dutch had got into a share of it by means of their settlement at Formosa.

The Company were scarcely ever at rest from the machinations of enemies. The calico-printers very soon began to raise a clamour against them for importing India chintses (or painted stuffs). The silk-weavers of London were spurred on in the year 1681 to complain to Parliament of the damage they sustained by the Company's importation of India wrought silks, though the manufacture of silk goods in England was very far from being sufficient, either in quantity or

* At the commencement of the trade, and long after it, the Company built their own ships. This is, perhaps, the first notice of their chart-

ering ships, the property of individuals, which has for a long time past been their constant practice.

quality, to answer the demand, and therefore large quantities of wrought silks were imported from France and Italy. They also reproached the Company for sending some dyers to Bengal, in order to instruct the native manufacturers in the art of finishing black silks agreeable to the taste of the English ladies; a conduct, they said, utterly destructive of British industry. It cannot, however, be pretended, that either of these manufactures was yet in a condition to supply the twentieth part of the demand of the country: for, we must observe, that these complaints were made, before Louis XIV compelled vast numbers of his ingenious and industrious manufacturers to leave their country by his memorable revocation of the edict of Nantes; an act by which he proved himself no less an enemy to the commercial prosperity of his subjects than to their liberty of conscience, and, as succeeding events have proved, to his own posterity*.

At this time the East-India Company were also attacked by the Turkey Company on account of their importation of raw silk; a business which that Company claimed as their exclusive right, and as being the principal branch of their trade, conducted by them entirely by receiving silk, and other raw materials, in exchange for English manufactures, and chiefly woolen goods, the favourite manufacture of England, without any exportation of bullion. They presented a long and elaborate memorial to the Privy Council, which they concluded by requesting that, as the countries on both sides of the Red Sea are subject to the Sultan of Turkey, they might be permitted to send ships into that Sea by the most convenient passage, which is by the Cape of Good Hope.

The India Company gave in an answer, in which there are several notices illustrative of their history.—At this time the Company consisted of six hundred members.—Every member paid £5 on his admission into the Company.—Every member was entitled to a number of votes proportioned to his stock, whence it happened that some had *near sixty votes*.—Every member had liberty to carry on a trade with India on his own separate account, to the extent of

* Perhaps it may be doubted even now whether the silk manufacture, the raw material of which must be imported, and makes so great a part of the price of the finished work, can be a desirable object of the industry of a country, wherein the price of manufacturing labour is higher than in any other part of the globe, and where it is consequently impossible to make the goods at a price near so low as they can be

imported from countries, where both the material and labour are cheap, as is, for example, eminently the case in India. Though the home manufacture of silk is in some degree guarded by heavy duties on foreign wrought silks, it does not seem to have ever been considered as a national object by the Legislature, seeing that a considerable duty is levied on the raw material in its rudest state.

one fifth of his stock in the Company's capital.—Within nine years more great ships were built by the Company than had been built in thirty years before, and more woolen goods were exported.—His Majesty's customs have also been more than doubled by means of the East-India trade.—The stock now employed in the Company's trade, clear of all debts, amounted to £1,700,000.—The Company owed £550,000, for which they paid interest; and though the interest had by various reductions been lowered from *six* to *three* per cent, their creditors were unwilling to receive back their money.—The silk manufacture of England had been increased fourfold since the Company began to import raw silk from India *.

The defence of the East-India Company was deemed satisfactory by the Lords of the Privy Council; and the complaints of their opponents were dismissed.

The East-India Company took this opportunity to represent to the Privy Council, that they were at an annual expense of £100,000 for the maintenance of their forts and garrisons in India, which were absolutely necessary for the support of their commerce: but that, if the interlopers were not effectually prevented from interfering with their trade, they should not be able to continue the expense of their forts and soldiers, without which there would be no English trade in India.

The private traders, encouraged by their lawyers, who asserted that no royal charter, unconfirmed by Parliament, could support a monopoly, still continued to send ships to India. The King, probably piqued by the bold assertion of the lawyers, which, he might think, trenched upon his prerogative, laid an embargo, at the Company's request, on a ship ready to proceed to India, with a cargo amounting to £50,000 under the command of Thomas Sands. A long and interesting trial ensued; and the Company obtained a verdict, in consequence of which, after a year of suspense, the ship and cargo were sold, to the great loss of the adventurer. As it was found, however, that the private traders were not deterred by this example from persisting in their trade, the King sent a ship of war to India with orders to seize all interlopers and pirates.

In the year 1682 there fell out a quarrel between the King of Bantam and his son, in which the English and Dutch took opposite sides. The King and his

* The reader, who desires to have more ample information upon the claims and pretensions of the two Companies than the limits of this work can admit, may consult the original papers published on both sides, which

contain many curious and interesting particulars of the general commerce of the country at the time, as well as illustrations of the state of the two Companies.

English allies were overpowered by his son and his Dutch allies, who improved their victory by depriving their rivals of their factory at Bantam, one of their oldest and best establishments in India, which has ever since remained in the hands of the Dutch : and they obliged the new King to expell the Portuguese, the French, and the Danes, though they had all remained neutral in the contest between him and his father.

The English Company, deprived of Bantam, obtained a settlement at Bencoolen, near the south end of Sumatra ; and, in order to guard against a similar disaster, they fortified the place at an expense, which in a few years amounted to £250,000 : and they have thereby preserved the pepper trade, which must otherways have been entirely monopolized by the Dutch.

On the 9th of August 1683 King Charles gave the Company another new charter, confirming all former ones, and giving them additional powers to seize all vessels trespassing upon their privilege, to exercise martial law in their garrisons in India, and to establish courts for the trial of crimes committed upon the seas, questions of insurance, disputes concerning bargains, &c. in their territories.

The inhabitants of the Company's island of Saint Helena gave them the first occasion to exercise their new powers. Many of them had refused to pay the usual taxes levied for the support of the government, set the Company's authority at defiance, and even proceeded to make an attack upon the fort. Some of the ringleaders of the disturbance were tried, found guilty, and executed. In the year 1685 the House of Commons, upon a complaint made by some persons connected with the sufferers, voted the conduct of the Company arbitrary and illegal ; and the parliamentary disapprobation threw a temporary cloud of unpopularity upon them, which did not, however, prevent their stock from rising to the high price of 500 per cent, their net annual profits being above £100,000 on the average of nine years from 1676 to 1685.

The interlopers were indefatigable in their opposition to the Company, though the consequences of their intrigues were often as injurious to themselves as to the community against whom they were directed. In India they gave out that the Company were lying under the King's displeasure, and that *they* were now the real Company. Many of the Company's servants in Bombay, whom they found means to corrupt, set up for themselves. The Princes of India and their officers, seeing Englishmen opposed to Englishmen, and not knowing, or pretending not to know, which party ought to enjoy the benefits of the treaties and

agreements made with the Company, extorted extravagant presents, and withheld the stipulated privileges, from both.

Hitherto the warlike operations of the Company had been entirely confined to conflicts against the Portuguese and the Dutch in their own defence: but now they found themselves under a necessity of engaging in hostilities with Aurengzebe, the Great Mogul, one of the ablest of the Monarchs who have borne that high-sounding title, and, indeed, the last of them who possessed energy of mind, and was really a Sovereign. The events which gave rise to this war, and the importance to which the province of Bengal has arisen in the scale of British and Indian commerce and politics, require a brief retrospect of the transactions of about half a century.

In the year 1636 M^r Boughton, an English surgeon, had the good fortune to cure a dangerous disorder, which afflicted a daughter of the Emperor Shah Jehan, who gave him, as a part of his reward, a patent to trade throughout all his dominions without paying any custom. Thus favoured, he resolved to engage in trade, and went to Bengal in order to purchase goods proper for Surat, the place at which he had previously been settled. In Bengal he was also fortunate in effecting a cure upon another lady, a favourite of Mohamed Islam, the Nabob, who prevailed with him to remain in the country, and promised to extend the privilege of trade he had obtained from the Mogul to all Englishmen, who should come to Bengal.

The Company, whom he took care to acquaint with this favourable disposition of the Nabob, in the year 1640 sent two ships to Bengal, the supercargoes of which were introduced to the Nabob by M^r Boughton, and for his sake favourably treated in all their transactions.

The Company soon after established a factory at Hooghly, a town situated on the west branch of the Ganges, and the chief port of the province. This factory in a short time became the center of an extensive business, spread over a fertile and populous country, which consisted, not so much in selling British goods, for which the natives have little need or desire, as in purchasing the produce and manufactures of the country, for which a considerable part of the payment must be put into the hands of the contractors upon giving the orders. In this manner of conducting the trade (and there cannot possibly be any other) great sums of the Company's money were necessarily scattered over all parts of the country; and it was also necessary to erect houses and stores for lodging their servants and keeping their goods, which were quite defenceless, nothing that had the slightest appearance of fortification being allowed. The Nabob
(but

(but whether the same person, who had been so kind to Boughton, I have not learned) seeing the Company's servants so chained to his territory, that they could not withdraw without a ruinous abandonment of property, and utterly unable to resist his power, began to treat them with all the cruelty, oppression, and extortion, which the Mohamedan despots are accustomed to exercise upon such of their subjects as are not of their own religion.

The great advantages, which usually attend a new trade, after the preparatory expenses are got over, induced the Company to submit for about forty years to the extorsions and oppressions of the Nabobs, who, encouraged by such patient endurance, had increased their impositions to a pitch, which at last left no other choice than, either to withdraw the factory, or maintain it by force of arms. The Company's servants on the west side of Hindoostan having also got themselves embroiled with the Mogul, chiefly (it is believed) owing to the misconduct of Sir John Child, the Governor of Bombay, and the intrigues of the interlopers, pretending to be the true Company, the Company determined to have recourse to hostilities; and, with the approbation of the King, James the Second, they fitted out a strong fleet for Bengal, and another for Surat, which last, accompanied by one of the King's frigates, soon seized a great number of Indian vessels, mostly belonging to the Mohamedan merchants of Surat, which, with their cargoes, were said to be worth a million sterling*.

The Company proposed to remove their factory from Hooghly to Chitagong, a town, situated on the east side of the Bay of Bengal, where it receives the united waters of the Burampooter and the main stream of the Ganges, which the Nabob of Bengal had taken from the Rajah of Aracan, and there by force to establish a respectable fortified residence: and they directed the commander of the Bengal fleet, which carried out 600 soldiers, to assist and protect the removal. The fleet arrived at the west mouth of the Ganges in October 1686, and preparations were immediately made for removing. But the Company's people soon found they should be obliged to fight for leave to retire; for the Nabob, enraged at the thought of losing the great revenue he drew from them, immediately marched to Hooghly, and surrounded the factory with his army. The troops were therefor landed, and several skirmishes ensued, in which the Nabob generally experienced the superiority of European military science and discipline, and was taught to respect the power of those whom he had hitherto considered as his slaves or his property.

* Davenant, a contemporary writer, says that the depredations on the property of the India merchants were mostly committed by

pirates, who fitted out in the West Indies. [*Discourses on Revenue, &c. part ii, p. 88.*]

The complaints of the merchants of Surat, suffering by the capture of their vessels and the loss of their trade, together with the diminution of the revenue occasioned by the total suspension of trade, induced the Emperor to send orders to his Governor of Surat, and also to the Nabob of Bengal, to redress the grievances of the English. In Bengal a treaty of peace was signed on the 16th of August 1687; and the English factory soon after settled at Soota-nutty, a place twenty-three miles lower than Hooghly, and on the east bank of the same river. The treaty did not, however, prevent the Company's servants from being involved in some further squabbles with the Nabob; till at length in the year 1690 the Emperor interposed his authority, and sent a firmaun (or charter) to the Company's agents, granting them entire freedom of trade, in consideration of an annual payment of 3,000 rupees as a full compensation for all duties. But still they were not permitted to make their factory defensible; and the favour of the distant Emperor would have been of little advantage to them, while the Nabob, their neighbour, continued unfriendly, if what could not be obtained from him, either by entreaties and offers of money, or the respect due to the orders of his Sovereign, had not been brought about by means of events in which the Company had no concern.

In the year 1696 the Rajahs, or native petty Princes, of the country near the Hooghly River revolted against the Mogul government, and took and plundered several towns belonging to the Nabob, while his army was at a considerable distance. On this occasion the English factory, now settled at Calcutta, a village adjacent to Soota-nutty, the French at Chandernagore, and the Dutch at Chinsurah near the south end of Hooghly, all situated on the Hooghly River, augmented their small military forces, and declared in favour of the Nabob, who now found himself obliged to desire them to defend themselves against the common enemy. All the three nations immediately fortified their settlements: and these were the first European settlements that were fortified in any part of the Great Mogul's dominions; for the Portuguese forts were all situated in places, not conquered by the Mogul at the time of their erection.

Aurengzebe sent one of his grandsons to suppress the rebellion, and superintend the provinces of Bengal, Bahar, and Orissa. The English factory, finding this Prince fond of money, by means of presents obtained his permission, in the year 1698, to purchase from the Indian proprietors the villages of Soota-nutty, Calcutta, and Govindpore, extending in all about three miles along the east bank of the river, and about one mile back from it, for which they agreed to pay annually to the Nabob 1195 rupees, being the rent he received

received for them from the former proprietors. Such was the commencement of the Company's territorial possessions in Bengal*.

We now return to the Company's transactions at home.

King James the Second, who had lately succeeded to his brother, King Charles the Second, however erroneous he may have been in his religious and political doctrines, was a friend and encourager of commerce, the principles of which he had studied with the application of a man of business. Apprehending that a total loss of the India trade to the nation must inevitably be the consequence of the disordered state of affairs in India, he ordered the commander of the frigate, which he sent out with the Company's ships, to seize every interloper he could find, and to publish a proclamation commanding all his subjects in India to submit themselves to the Company's jurisdiction.

On the 12th of April 1686 the King gave the Company a new charter, wherein he says, that 'being fully satisfied that the same [the trade with India] cannot be maintained, and carried on to national advantage, but by one general joint stock, and that a loose and general trade will be the ruin of the whole,' therefor, in order to support the Company's exertions in establishing a difficult and hazardous trade, to the honour and advantage of the nation, he grants them full power to appoint Admirals and other officers to command their ships, which may be employed, when necessary, in compelling the Princes of India to adhere to their engagements, or in seizing English vessels encroaching upon their trade, and also to use martial law in their ships and settlements beyond the Cape of Good Hope and in their island of Saint Helena. They are moreover authorized to coin money similar to that of the Princes, in whose countries their settlements are established.

We have already seen the Company's early endeavours to establish a trade in Japan, and their being obliged to withdraw the factory in the year 1623†: and I have now to relate the subsequent attempts made to obtain a commercial intercourse with that empire, and the final resolution to give it up.

In the year 1671 King Charles II wrote a letter to the Emperor of Japan, requesting him to authorize a free trade between the subjects of the two countries: and the letter was accompanied with presents supplied by the Company. But the Emperor was not to be moved from a resolution he had formed of permitting no Europeans, except the Dutch, to have access to his dominions. It is said, that he declared, he would have no connection of any kind with

* The ground, on which these villages stood, is now covered by the buildings of the flourishing city of Calcutta.

† See above. pp. 90, 105.

King Charles, who had married a daughter of the King of Portugal, his inveterate enemy. Whether this silly objection, which may have been suggested by the Dutch, or the equally-silly observance of an antient prophecy, alluded to in some of the papers of those times, was the real cause which influenced the councils of the Japanese Sovereign, it was impossible to prevail with him to alter his resolution.

In the year 1681, and again in 1683, other attempts were made to obtain permission to open a commercial intercourse. But so far was the Emperor from agreeing to the proposals made to him, that he even prohibited his own subjects from importing British woolen goods from Bantam or other places, though the climate of his country requires the use of woolen clothing.

In September 1689 the Company, still not discouraged after so many disappointments, wrote to their presidency at Madras, directing a voyage to be fitted out there for Japan. But the Japanese Emperor remained inflexible. After this attempt, the Company, finding that they had expended £50,000 in their repeated exertions for establishing a trading intercourse with Japan, resolved to abandon any further thoughts of it*.

From a view of the Company's affairs, published in the year 1689 it appears—That in seven years they had built sixteen ships of from 900 to 1300 tons burthen.—That, after the loss of Bantam, they had erected and maintained three other forts for the protection of the pepper trade.—That they had, in India and on their homeward passage, eleven ships and four permission ships, the cargoes of which were worth above £360,000

They had, going out to Coast and Bay, seven large ships and six permission ones, with cargoes valued about	} £570,000
going to China and the southern islands, seven ships with cargoes worth about	} 100,000
	<hr/> 670,000
Goods in their warehouses	700,000

Total value of their quick stock £1,730,000
besides the value of their ships and stores, about thirty small armed vessels constantly employed in India, and all their forts, houses, arms, ammunition, &c. in India.

* Notwithstanding this resolution, the Company, or, perhaps, rather the New Company, appear to have made another attempt for a

trade with Japan in the year 1699, which will be noticed in its proper place.

The Company also stated, that their settlement at Bombay, by the strength of the forts, the excellence of the harbour, and the great improvement in the salubrity of the air, effected by clearing the woods and draining the stagnant marshes, had increased the population of the island from four thousand to fifty thousand families, all living under the laws and protection of the Company, by which means that settlement had now obtained much of the trade of Surat.

To this account of the Company's trade, as stated by themselves, I here subjoin the following statement of the annual national benefit derived from it about this time, as made up by Davenant, who was soon after appointed inspector-general of the customs, and published in his Discourses on Revenue and Trade, part ii, p. 377.

Annual amount of exports to India in bullion and merchandize	} £500,000
Annual imports	
for home consumption	£500,000
and for exportation	500,000
There remain for freight and charges, custom duties, &c. and the Company's profit	} 500,000

Annual amount of the Company's sales. . . . £1,000,000 £1,000,000

The £500,000, stated as freight, &c. he considers as clear gain to the nation: and he adds £180,000 as the profit upon the exports; which sum, if he means it for net profit upon the exports of goods bought from the Company, seems much exaggerated; and, at any rate, a great part of it must have belonged to the merchants of the continent of Europe. He estimates the goods destined for home consumption, when they have passed through the hands of the first and subsequent buyers and the retailers, and when their value has been substantially improved by the industry of 'painters, stainers, printers, embroiderers, flourishers, raisers, and stitchers,' to cost the consumers £1,300,000, thus giving emoluments to those classes of people to the amount of 800,000

He thus states the national benefit gained from the continent of Europe by the India trade.

Profit upon goods exported	£180,000
Saved by a reduction of 25 per cent in the prices of foreign silks and linens, effected by the use of East-India silks and calicoes	} 200,000
Saved in the cost of other foreign goods, for which East- India goods of similar quality are substituted	
Saved in the consumption of home materials by similar India materials, whereby the exports from England are en- larged	} 100,000
Total of annual profit and saving	
to which add	
Profit of freight, &c. as above	500,000
Profits of the various traders in England; as above	300,000
The total annual benefit to all people concerned, as estimated by Davenant *, thus amounts to	} £1,980,000

The private traders, exceedingly irritated by the royal support which the Company now enjoyed, became more and more pertinacious in their efforts to prejudice the Public against them: and they succeeded so far, that they persuaded the House of Commons in January 1691-2 to address King William to dissolve them, and incorporate a new Company; for it was now generally admitted, as well by those who wished to participate in the trade as by the Company authorized to possess it, that the trade with India could not be conducted with advantage to the nation but by a joint stock under the management of a Company acting with united counsels for the benefit of all concerned. The King referred the consideration of the affair to a committee of the Privy Council, who proposed that the Company's present capital, which they (the Privy Council) valued at only £740,000, should be made up to at least £1,500,000, but not to exceed £2,000,000, and that the new subscribers of the additional capital, together with the present members, should be incorporated for twenty-one years. They also drew up a scheme containing two and thirty propositions for the management of the affairs of the proposed new Company.

* Such a statement of the Company's trade and the beneficial effects of it in the last fifty years would make a very different figure. Yet

this exposition of the advantages of the India trade was thought very splendid by Davenant.

The Company, in their answer to the proposal of the Privy Council, averred that their present stock was worth much more than £1,500,000, the sum they had proposed that it should be *made up* to : they asserted that their forts and territories in India, which had cost them above £1,000,000, were their property for ever : and they affirmed that the intended regulations were better provided for by their present charter, and their own practice, than by the new propositions.

There was now scarcely one person in the kingdom who did not take an interest in the contest between the Company and their opponents, who, having entered into an association and subscribed sums of money, and acting in an united body, might in some degree be considered as another Company. The new Company, if we may so call them, found means to persuade the woollen manufacturers of Gloucester-shire to give in a complaint against the Company for exporting fewer pieces of cloth than, they thought, they ought to do ; and the linen-drappers also complained that the Company did not import a sufficient quantity of calicoes for the use of the country.

To these complaints the Company answered, that, on account of the state of public affairs in the year 1689 and 1690, they had been allowed to send out only four ships, which of necessity carried fewer cloths than were usually exported ; that the loss of three homeward-bound ships had occasioned a deficiency of calicoes ; and that both these complaints, arising from temporary and accidental causes, were already obviated by an increased exportation of woollen goods, and the arrival of other ships with a sufficient stock of calicoes.

On the 14th of November the King sent Sir Edward Seymour to lay before the House of Commons the propositions of the Privy Council and the Company's answers to them, together with the opinion of the Judges, which was, that the Company could not legally be dissolved without three years' notice, and that no other Company could begin their operations before the expiration of those three years. The House, after many warm debates upon the subject, at last presented an address of the whole House to the King, (25th February 1692-3) praying that he would dissolve the Company upon three years' notice ; to which his Majesty answered on the 2d of March, that he would consider their address. In a few days after giving this answer he prorogued the Parliament.

In the session, which was now closed, an act was passed for laying a tax upon the capital of the East-India, the Royal African, and the Hudson's-Bay, Companies, the only joint-stock Companies of any importance then existing in

England, which they were required to pay in four quarterly installments, commencing on the 25th day of March 1693, on pain of forfeiting their charters. The proportion assessed upon the East-India Company was five per cent upon their capital, which was stated in the act to be £744,000. [4, 5 *Gul. et Mar.* c. 15.]

Owing to some cause, which has never been accounted for, the East-India Company neglected to make their payment in the office hours on the day appointed, but paid it in a day or two after. Their neglect surely could not proceed from any idea of saving their money, as they must have well known the impossibility of evading such a positive law, and they well knew that a much greater expenditure would be incurred in getting clear of the forfeiture, as their enemies surely would not overlook such an advantage against them as they thereby put into their hands.

Notwithstanding the very awkward situation in which the Company were now placed, they found means to obtain a renewal of their charter on the 7th of October 1693, with a full restoration of all the powers and privileges conferred on them by former charters, subject to some subsequent regulations, to be made by the King, for the management of their affairs.

By the King's regulations, dated 11th November 1693—The capital stock of the Company was declared to be £744,000.—No member was allowed to hold above £10,000 of the capital.—The privilege of voting in General Courts was restricted to the proprietors of £1,000 stock; and no person should have above ten votes.—Every purchaser of stock must pay £5, and take the prescribed oaths. The Governor and Deputy-governor must possess stock to the amount of £4,000 each, and each Committee-man £1,000 *.—The Company were prohibited from granting any permissions for private ships to sail to India, under the penalty of forfeiting the charter.—All the Company's goods, except saltpetre for his Majesty's service, should be sold by public sale, and all, except jewels, in lots not exceeding £500 in value.—The Company were bound to export English merchandize to the annual amount of £100,000 †.—They must annually supply the King with 500 tuns of saltpetre, at £38 10 0

* By this constitution every person qualified to give a single vote, was also qualified to be a Committee-man.

† In August 1698 the Lords of Trade advised a repeal of this obligation, which forced the Company to push their goods at a losing price into Persia and other countries, to the

great damage of themselves and also of the Levant, or Turkey, Company: and they recommended that they should be obliged to export manufactures only to the amount of one tenth part of their trade. This advice appears to have been acted upon in the year 1702.

in time of peace, and £45 in time of war.—The dividends must be paid in money only.—Books must be kept of the value of stock, mortgages, &c. to be inspected by the members.—The continuance of the Company's joint stock was determined to be twenty-one years.

On the 28th of September 1694 the King gave the Company his second supplementary charter of regulations, whereby—The Company are empowered to licence the commanders and mariners of their ships to trade for their own private account, the value and quantity of the goods to be determined by the General Court *, and the goods shipped on their account to be fairly entered.—The Company's money must not be lent without the authority of a General Court.—In case of the Company's charters being found unprofitable to the Crown or the realm, they may be revoked at any time on three years' notice.

These charters, and the transactions connected with them, became the subject of parliamentary investigation in the year 1695. The Company's books were inspected, and an account was demanded of the disposal of the prodigious sums paid for special services in the year 1693 †. Sir Thomas Cooke, the Governor of the Company, and some of the other principal members, were called before the House of Commons, but they refused to account for the money. Cooke was thereupon sent to the Tower; and a bill was passed for compelling him to make a discovery. In the House of Lords Cooke was most zealously defended by the Duke of Leeds, President of the Privy Council. The Duke himself was impeached. But the *absence* of a material witness, and a speedy prorogation of Parliament put an end to the business.

A second attempt was now made for obtaining an India trade for Scotland ‡. King William, in return for the liberal supplies of men and money voted by the Scottish Parliament, and anxious to efface the remembrance of the massacre of Glen-Co, had lately directed his Commissioner in Scotland to inform the Parliament of that kingdom, that, if they found it would tend to the advancement of trade, that an act should be passed for the encouragement of such as should acquire and establish a plantation in Africa, America, or any other part of the world, where plantations might be lawfully acquired, he would grant them such rights and privileges as he granted in like cases to the subjects of his other dominions.

* The amount of this kind of private trade has since been regulated by the bulk, and not by the value.

† The sums expended by the Company for special services, which during the reign of King James the Second had been about £1,200 a-

year, and had increased gradually since the revolution, amounted to near £90,000 in the year 1693. [*Journals*, 26 March 1695.]

‡ For a former abortive attempt, see above, p. 100.

In consequence of this royal encouragement and invitation, a scheme of trade and colonization was digested, chiefly by Mr Paterson, the gentleman who had projected the Bank of England, of which he was one of the original Directors, and also the Bank of Scotland *. This most extensive commercial enterprise was intended to combine the trade of Africa with those of America and India, by establishing a colony on the narrow part of the Isthmus of Darien, then unoccupied by the Spaniards, and by having a good port on each side of the Isthmus, by means of which, with the river navigation and a short land carriage, the produce of all the four quarters of the globe could be dispersed with ease and dispatch over the whole world with comparatively little expense.

On the 26th of June 1695 an act of the Scottish Parliament was passed for incorporating 'THE COMPANY OF SCOTLAND TRADING TO AFRICA AND 'THE INDIES,' with the usual powers and privileges of joint-stock Companies, and also the power of erecting forts and planting colonies in places not possessed by any European power, with a perpetual trade to Asia and Africa exclusive.

* Mr Paterson has been called, even in modern times, 'an obscure Scotchman,' who was 'originally a buccaneer.' I am not so well acquainted with the particular events of his life as to know with certainty, whether he ever was onboard a buccaneer ship or not. But we may be allowed to doubt, whether the education, to be acquired in such a seminary, could form the comprehensive and enlightened mind, capable of planning and regulating such magnificent and beneficial commercial establishments as the national Banks of England and Scotland, and the Darien colony, which was unquestionably the grandest idea of colonization that ever was conceived in any age or country. Anderson, the late historian of commerce, who lived to a great age, and probably was acquainted with Paterson, speaks of him in the most respectful manner, and quotes his writings with approbation. In a pamphlet, written against the Scottish Company by a discontented officer of one of their ships, who is said to have been turned out of a King's ship for his misdeeds, Paterson, though treated with abundance of scurrility, is not said to have been a buccaneer, but to have imbibed romantic ideas from conversing with Dampier, a celebrated circumnav-

igator. The silence of that reviler may be admitted as pretty good proof, that *he was not a buccaneer*. To revert to the first part of the charge, that he was obscure and a Scotchman.—It may be asked, what is the meaning of the word *obscure*, as here applied? Is it intended to make us believe that Paterson could not exhibit a long pedigree of the names of his ancestors? Whether he could, or could not, is a question not worth the investigation; for *men of real merit do not derive honour from their families, but confer it upon them*. An obscure or disrespectable character could not have been an original Director of the Bank of England, nor could he have obtained a vote of Parliament in the first session of King George the First for £18,241 10 10 (a great sum in those days) with interest from the 25th of March 1713, to be paid to him as a compensation for his losses in the Darien expedition: neither could an obscure man have possessed such a capital. The other part of the charge, his being a Scottishman, is true. He was born near the town of Dunfries, which had the honour of being repeatedly represented by him in some of the last sessions of the separate Parliament of Scotland.

of all other subjects of Scotland, and an exclusive trade to Darien for thirty-one years, together with an exemption for their ships and merchandize from all restraints, prohibitions, customs, and taxes, for twenty-one years. And, *if any damage be done to the Company, his Majesty promises to interpose, at the public charge, for justice and restitution.* The Company were authorized to take subscriptions to the amount of the half of their capital in foreign countries.

The Company proposed that their capital stock should be £1,000,000 sterling, of which the inhabitants of Scotland subscribed £400,000. The merchants of England, probably consisting of those who were disappointed by the East-India Company's charter, privately subscribed £300,000; and those of Hamburgh engaged for £200,000. But both these classes of subscribers afterwards drew back, in consequence of opposition in the quarter from which the Company had been made to expect encouragement and protection. The Scottish subscribers, now left to depend upon their own resources, proceeded to fit out their ships, which sailed from Leith in July 1698, having onboard 1,200 veteran soldiers, intended to garrison the fort or forts to be erected; and they arrived at Darien in November.

The Scottish colonists began to build a fort and a town at the mouth of an excellent harbour in a part of the country possessed by the aboriginal Americans, who received them very cordially. Other ships with more settlers arrived soon after; several vessels from North America and Jamaica resorted to their port for the benefit of their trade; and the settlement seemed in a fair way of prospering. But, unfortunately for the Company, William III, King of England, Scotland, France, and Ireland, was also Stadtholder of Holland. The Dutch apprehended the loss of their lucrative trade with the Spaniards in the West Indies; their East-India Company were jealous of a new rival, and on this occasion they joined with the English East-India Company, who had lately found means to render the King and his Ministers more propitious than they used to be, in representing to the King that the Scottish Company would ruin both the English and Dutch Companies: a danger which surely need not have been apprehended from a capital of only £400,000.

It being resolved to suppress the Scottish Company, the Spanish Ambassador's complaint of their encroachment upon the territory of his Sovereign was favourably listened to, though his pretension to the country, in which they had settled, rests upon no better right than that by which he claims the whole continent of America and the islands, in virtue of Christopher Colon's discovery

covery and the Pope's donation *. The King, being in friendship with the King of Spain, sent proclamations in January 1698-9 to all the English colonies in America and the West Indies, ordering them to have no intercourse whatever with the Scottish colony, who, finding the whole world combined against them †, were obliged, after encountering innumerable hardships, to abandon their settlement, and one of the best-concerted commercial undertakings that ever was devised ‡.

The people of Scotland so warmly resented the cruel disappointment of their swelling hopes, that it was judged necessary to endeavour to soothe them by an act, passed in September 1703, confirming the Company's patent, and authorizing them to licence foreigners to trade under their seal to Asia, Africa, or America, with a participation of their privileges, such foreigners being obliged to bring their cargoes into Scottish ports. Finally at the union of the kingdoms it was stipulated, that the Company's capital, together with interest at five per cent,

* The Spaniards acted in direct opposition to the Pope's famous donation, and the subsequent treaty with the Portuguese, sanctioned by another Pope, by which the unchristian part of the world was divided between those two nations, according to limits then agreed upon, when they took possession of the Philippine islands in the East Indies, which by that division belonged to the Portuguese.

† The French also were alarmed for the trade of their West-India colonies, and kindly offered their assistance to the King of Spain to expell the Scots from Darien, at the very time when they themselves were forming settlements, not only on the American continent at the mouth of the Mississippi, in a country to which the King of Spain had precisely the same title that he had to Darien, but also in the island of Hispaniola, which was actually occupied by Spanish subjects. Neither ought it to be forgotten that King William, who was so anxious to prevent his Scottish subjects from encroaching upon his good brother of Spain, proposed, in conjunction with the Dutch, to take possession of Golden island, situated near the Gulf of Darien, to which he was advised by the newly-erected Board of Trade, because it had a good harbour, and in order to prevent the

Scottish Company from occupying it. The scheme was, however, dropt, probably in consequence of the ruin of the Scottish settlement.

‡ Though the excellence of the plan of the Darien colony was attested by the opinion of the Board of trade, and their advice, that '*notwithstanding some doubts as to the legality,*' the Scottish adventurers should be treated with all possible rigour, and also by the jealousy of both Houses of the English Parliament, and of the English and Dutch East-India Companies, some people have affected to decry it as a '*Scots folly,*' '*a premature attempt,*' &c. &c. Just such a folly was the establishment of a port near, not on, the *Isthmus* of Suez, for the purpose of connecting the eastern and western parts of the world by the mutual benefits of commerce, for which the wisdom and discernment of Alexander have been extolled, not only by his panegyrists, but by all writers, who have had occasion to mention it.—But Alexandria prospered, and Darien was ruined: and the opinion of the bulk of mankind, when not influenced by party or interest, is oftener determined by the success than by the merit of an undertaking,

' And prosp'rous actions always pass for wise.'

should

should be refunded to them out of the equivalent money, after the payment of which their privilege should cease. But it required the lapse of many years, after all the partners of the Company were in their graves, to wear out the strong remembrance of this insulting and oppressive stretch of power.

From this digression to the unfortunate Scottish Company, I now return to the English East-India Company, whose enemies omitted no opportunity of distressing them. In the year 1697 the silk-weavers, in the belief that the importation of India silks and calicoes was the cause of rendering their business less beneficial than it might otherways be, became outrageous, assaulted the East-India house, and were near getting possession of the Company's treasure, before they were dispersed by the assistance of the civil power. This disturbance occasioned a kind of paper war upon the advantage or disadvantage of importing the fabrics of Indian manufacture, on which it is sufficient in the present day to observe, that the manufactures of goods, fit to be used instead of India silks and calicoes, were not then brought to such a maturity in England, though they were rapidly advancing by the exertions and example of the refugees, lately driven out of France by the revocation of the edict of Nantes, as to render it prudent in the Legislature to exclude the Indian fabrics; as such an exclusion would chiefly have operated in favour of the much more costly ones of the continent of Europe; and that as soon as the native fabrics acquired the proper degree of maturity, the use of India silks and printed calicoes was prohibited by law.

The bloody war occasioned by the revolution was terminated by several treaties concluded at Riswick in September 1697. In the eight years, during which it convulsed the whole of Europe, the French ships of war and privateers were so exceedingly vigilant in distressing the trade of Great Britain, that no fewer than *four thousand two hundred* British merchant vessels fell into their hands, among which were several of the East-India Company's homeward-bound ships. These heavy losses, and the interference of the separate traders, which still continued, in defiance of the renewed charter, disabled the Company from making any dividends for some years, whereby the people in general were put very much out of humour with the East-India trade; and the Company, who had reason to think they stood upon sure ground after obtaining a charter, which was supposed to rectify every imaginable defect in their preceding ones, seeing their severe losses aggravated by the indulgence of the Ministry to the private traders, to whom they granted licences as unreservedly as if they were desirous of shewing a contempt of the charter, were quite discouraged at the ruinous prospect of their affairs.

In the beginning of the year 1698 the Government, being in want of money, sounded the Company to know whether they would advance a large sum for the public service in consideration of a parliamentary confirmation of their privileges. After several debates upon the subject, the General Court of the Company, knowing that their opponents, the separate traders, would also be applied to, and considering the difficult situation in which they were placed, proposed to advance £700,000 at an interest of *four per cent*, provided their charter should be fully confirmed to them by Parliament. While this negotiation was going forward, the separate traders, among whom there were some very capital merchants, being supported and directed by Mr Montague, the Chancellor of the exchequer, offered to advance £2,000,000 at *eight per cent*, on condition that they should be invested by Parliament with all the privileges for the India trade, which had been conferred by the King's charter on the present Company, and also with the liberty of trading separately, if they should chuse to do so. The want of money (for the art of instantaneously raising large sums appears not to have been so well understood then as in the present day) induced the Legislature to accept the offer of the largest sum, though at double interest ; and a bill for incorporating the subscribers was ordered to be prepared.

The Company were heard by their counsel, Sir Thomas Powis and Sir Bartholomew Shower, against the bill. These gentlemen in their pleadings set forth, that the Company had at a vast expense acquired many emoluments and territories in India, viz. revenues arising from Fort Saint George at Madras, Fort Saint David, Bombay, and some stations in Persia and elsewhere, amounting annually to about £44,000, and likely to increase ; several forts and settlements, established in Sumatra and on the coast of Malabar for securing the pepper trade of those countries ; Fort William at Calcutta in Bengal ; and many factories and settlements in various places ; and also many immunities and privileges purchased from the native Princes, in the confidence that their rights would be protected by Government ; and that they were absolute proprietors of Bombay and Saint Helena.

In another hearing they endeavoured to point out to Parliament the confusion, which must ensue from two rival Companies trading in competition, the bill proposing that the intended Company should be permitted to begin their operations immediately, though the present Company were unquestionably entitled to a continuance of their exclusive privilege for three years after notice given to dissolve them. They requested the House to consider that they had the burthen of supporting the forts and factories ; they called their attention to the severe
losses

losses they had suffered by the war and by shipwreck, particularly of twelve great ships, which, with their cargoes, were worth £1,500,000, notwithstanding which they had paid to the revenue since the year 1693 the sum of £295,000 in customs, besides £85,000 in other taxes : and they had supplied the King with 6,000 barrels of gun-powder on a pressing occasion, and subscribed £80,000 for circulating exchequer bills. They also endeavoured to interest the feelings of the House by representing that many families, whose all was invested in the stock of the present Company, must be ruined by their dissolution.

The counsel for the new subscribers exerted themselves to repell the arguments of the Company ; but they rested the merits of their cause chiefly on the insufficiency of the King's charter, when not confirmed by an act of Parliament.

The Company, finding no expectation of a favourable decision from their arguments, resolved, as a more effectual means of success, and in order not to be out-done by their competitors, to subscribe £2,000,000 for a loan to Government, and immediately presented a proposal to that effect to the House of Commons.

The offer availed them nothing : the interest of their opponents, who had found means to ingratiate themselves with the leading members of Administration, prevailed : and on the 5th day of July 1698 the royal assent was given to an act [9, 10 *Gul. III. c. 44*] whereby—It is declared to be lawful for his Majesty to incorporate the subscribers to a loan, not exceeding £2,000,000, for which they are to receive interest at eight per cent, and to be a body politic by the name of THE GENERAL SOCIETY INTITULED TO THE ADVANTAGES GIVEN BY AN ACT OF PARLIAMENT FOR ADVANCING A SUM NOT EXCEEDING TWO MILLIONS FOR THE SERVICE OF THE CROWN OF ENGLAND, with perpetual succession, a common seal, a legal capacity of possessing lands, and of suing and being sued.—The subscribers of sums not under £500 are directed to elect by ballot twenty-four Trustees, being subscribers of at least £2,000 each, who shall manage the affairs of the Society.—In case of a sum, not less than half of the two millions, being subscribed, before the 29th of September 1698, by any persons, natives or foreigners, or by bodies corporate, excepting the Bank of England, the persons or bodies politic, so subscribing, are empowered *for ever* to trade, personally or by their agents, in all parts of Asia, Africa, and America, beyond the Cape of Good Hope eastward as far as the Straits of Magellan, each on his own separate account, and to an amount not exceeding in any one year the total of the stock held by him.—But any number of the members may unite their capitals in a joint stock, and carry on

the trade to the East Indies together, still not exceeding the amount of their conjunct capital; and his Majesty may incorporate them as a joint-stock Company, with perpetual succession, a common seal, power of making bye laws, &c.—All merchandize, shipped in India, must be landed in some port of England or Wales, unless prevented by the danger of the seas, enemies, pirates, restraints of Princes, or barratry of seamen, and must be sold publicly by inch of candle.—The Society's stock is declared to be a personal estate; and the interest payable to the partners by Government, and also the profits of their trade, are exempted from all taxes and impositions.—No member of the Society can be adjudged a bankrupt in respect of his stock, which shall not be liable to any foreign attachment by the custom of the city of London.—The Society are prohibited from borrowing money for any shorter time than six months, or for any other purpose than carrying on their trade.—An additional duty of five per cent, rated on the real value, is laid on all goods imported from India, to be paid to the Society, or Company, as a fund for defraying the expenses of Ambassadors to the Princes within their limits, who shall be appointed by the King, 'at the nomination of the Trustees, Directors, or Managers of or for the 'General Society aforesaid, or of such Company so to be empowered to 'trade with a joint stock as aforesaid.'—On 'three years' notice after the 29th of September 1711, and repayment of the capital, the interest payable to the Society, together with all other benefits hereby granted to them, shall be at an end.—All vessels trading to the East Indies, not being in the service of any of the members of this Society, shall be seized and confiscated together with their cargoes, except the vessels belonging to the Company of the merchants of London trading into the East Indies, who have a right to trade to the East Indies till the 29th of September 1701, and except all ships cleared out from England before the 1st of July 1698, so as they return, without breaking bulk in any part of Europe, into some port of England.—The present Company of merchants of London trading into the East Indies are restrained from making any dividends, till they shall have paid off all their just debts.

So great was the expectation of the advantages, to be derived from an East-India trade, sanctioned by parliamentary authority, that the subscription for two millions was filled up in three days after the books were opened. The greatest part of the money was subscribed by foreigners *, and the King himself was a subscriber for ten thousand pounds.

By

* It was believed by many that the separate traders were supported, and the scheme of establishing a second Company projected, by the Dutch, who hoped thereby to destroy the English

By the act, now passed, every one of the subscribers was at liberty to trade to India upon his own separate account. But it would have been as impracticable, as it must have been unprofitable, for any other than the large subscribers to carry on the trade, and the smaller subscribers must either have foregone their privilege, or employed their stocks under the management of some of the greater traders, and thence there would have arisen a multitude of Companies undermining and destroying one another. The consequences of such a state of the trade were undoubtedly foreseen by the principal subscribers : but, as they had been the foremost in the clamour against a monopoly of the trade with India, it was necessary, not only for the sake of preserving an appearance of consistency, but also in order to avoid giving offence to some people in power, who had been persuaded to concur with them in disseminating the doctrine of universal freedom of trade, to get a licence of separate trade inserted in the act, taking care, however, to have a liberty of uniting, at their own option, also put in : and it was most probably preconcerted among them, that they should immediately apply for a charter to incorporate themselves, and as many more as they might chuse to unite with them, into a joint-stock Company.

Accordingly we find, that on the 5th day of September (some weeks before the day limited by the act for at least half the money being subscribed) every thing preparatory to the constitution of a new joint-stock Company was in such a state of forwardness, that the King then signed a charter, incorporating a number of the subscribers to the loan of two millions by the name of ‘ THE ‘ ENGLISH COMPANY TRADING TO THE EAST INDIES *,’ with perpetual succession, power to purchase lands, &c.—All persons and corporations entitled to any share of the stock, or persons deriving right from them, are esteemed members of the Company.—Other members of the General Society may also unite with them.—They may enlarge their capital, so as not to exceed the whole sum limited by the act.—Their exports in goods and bullion must not in any one year exceed their capital ; and one tenth part of the value must be in English merchandize.—Every member must take an oath, that he will not trade to India on his own private account.—All the Company’s goods must

lish East-India trade entirely ; and certainly the option left to every one of the subscribers to trade upon his own separate account was exceedingly well calculated to produce such an effect.

* The King had signed a charter for incorporating the General Society two days before : but, as it was immediately almost entirely superseded by this charter for the joint-stock Company, it is not necessary to take any further notice of it.

be brought to England, and be sold by public sale; and none of the lots, except jewels, shall exceed £1,000 in value.—The Company must furnish 500 tuns of saltpetre every year to Government.—They are required to support a minister and a schoolmaster at Saint Helena, and also a minister and a schoolmaster in every garrison and superior factory in India; and the ministers are to learn the Portuguese and Hindoo languages, that they may be enabled to instruct the natives in the Christian religion. Every ship, not being under the burthen of 500 tuns, must also have a chaplain.—Twenty-four *Directors* *, each possessing £2,000 in the Company's stock, are to be chosen on the 25th of March every year.—Every member possessing £500 stock has a right to vote; and no person or corporation can have more than one vote.—A General Court of Proprietors is to be held once a-quarter, and also occasionally, when required by nine proprietors qualified to vote. They are to make bye laws and ordinances for regulating the Company's affairs, raising additional stock, and declaring dividends of profits.—The receiver-general of the customs is directed to pay the duty of five per cent, appropriated for the maintenance of Ambassadors, to the Company's treasurer.—The Company are invested with the privilege of trading to the East Indies *for ever*, in exclusion of all other persons, saving the right of the old Company to continue their trade till the 29th of September 1701: and the Company are empowered to seize all persons, who shall presume to invade their privilege, and also their vessels and goods. But the Company may grant licences to trade, under certain restrictions.—The Company are empowered to appoint Governors, and other officers to all their forts, factories, and plantations, and to raise forces for their defence; and also to establish courts of justice, as directed in the charter of King Charles II, in proper places.—All Admirals; Generals, revenue officers, and magistrates, are required to be assisting to the Company and their servants.

The net capital of the new Company was	. . . . .	£1,992,800
The remaining sum of	. . . . .	7,200

belonged to a few subscribers, who preferred trading on their own account, and therefor refused to come into the joint stock.

Hitherto the New Company had carried every thing triumphantly before them. But they had still many difficulties to encounter. The forts, factories, and privileges, acquired by the Old Company in India, were their undoubted property: and there was not one word in the act of Parliament respecting any

* I believe this is the first direct notice of the modern name of the executive managers of the Company's affairs. It occurs in the act for the establishment of this Company as an explanation.

sale or conveyance of them, or requiring them to indulge the New Company with the accommodation of them. They might dispose of them at their pleasure to any foreign Company. They had also an undoubted right, confirmed by the new act, to enjoy the trade during three years; and at the expiration of that term, if any of their debts were remaining unpaid, they were obliged still to remain in a corporate capacity for the purpose of collecting their funds, and winding up their affairs.

The Old Company, as a more effectual means of securing a continuance of their India trade, had directed M^r Dubois, their treasurer, to subscribe £315,000 in the new stock, whereby they had a larger interest in it than any other subscriber, whether a body corporate or an individual: and, for further security, they obtained an act of Parliament in the year 1701, whereby they were authorized to continue a body corporate and politic, under their old name of *The Merchants of London trading into the East Indies*, till Government should redeem the new capital stock of two millions. [*Private acts*, 12 *Gul. III*, n° 28.]

There were now three, or rather four, sets of English merchants, with contending and interfering interests, all authorized by law to trade to India.

I) The Old Company, who had an unquestionable right to the trade for three years; and, after the expiration of that term, they might continue to trade, as a separate division of the New Company, upon their own capital of £315,000.

II) The New Company, who, whether by a strange oversight, or intentional inconsistency, were authorized to begin their trade immediately, *notwithstanding the exclusive privilege* for a term of years, belonging to the Old Company, and though they possessed no forts, factories, or other accommodations, necessary for carrying on their trade.

III) A few subscribers of the General Society, who chose to trade, each for himself.

IV) The separate traders, who were so far legalized, that all the ships they had sent out before the 1st of July 1698 had a right to prosecute the trade during the continuance of one voyage, which might be made to include many trading voyages in India, and to return to England at such time as should be most convenient for themselves.

As no fewer than *sixty ships* are said to have been employed by all these rivals, the irregular state of the trade, which immediately ensued, could not fail to occasion an excessive exportation of bullion, and also of merchandize; and the inevitable consequences of the violent collision of the jarring interests
in

in India were a depreciation of European goods and an enhancement of the prices of India goods, and extorsions of the Princes and their Ministers, as on former similar occasions. In England the prodigious glut, and unreasonable cheapness, of India goods were ruinous, not only to the importers, but also to the English manufacturers of London, Norwich, Coventry, &c. whose fabrics were almost universally superseded by the wrought silks, bengals, mixed stuffs, and figured calicoes of India, China, and Persia. The general distress was peculiarly severe upon a new class of English subjects, the French protestants, whom the blind bigotry of Louis XIV had driven out of his own dominions to enrich the protestant states of Europe. They had by this time effected very great and extensive improvements in many of the English manufactures, particularly in all the branches of the silk and linen manufactures, which, in consequence of the commanding cheapness of India silks and piece goods, were now universally neglected. The buyers at India sales, and even the retail traders in every part of the country, however much they might at first be pleased with the opportunity of getting India goods cheaper than formerly, were soon overwhelmed by the inundation of goods flowing in upon them from the contending sales, which were conducted without any regulation, or affording any hope of being secured against a sudden repetition of them; for when a dealer had purchased a stock of India goods sufficient for his demand, he had the mortification to see his neighbours' warehouses or shops afterwards stocked with goods of the same qualities, bought at much lower prices at subsequent sales, and himself reduced to the cruel necessity of either selling nothing, or selling on a par with his neighbours, and in either case sinking a part of his capital, perhaps being completely ruined. In short, all the miseries of the open trade in the later part of Cromwell's government were renewed upon a more extensive scale, and with increased virulence.

In the spring of the year 1700 the Parliament endeavoured to relieve the general distress of the manufacturers by passing an act [11, 12 *Gul. III, c. 10*], which after premising, that 'It is most evident, that the continuance of the trade to the East Indies, in the same manner and proportions as it hath been for two years last past, must inevitably be to the great detriment of this kingdom, by exhausting the treasure thereof, and melting down the coin, and taking away the labour of the people, whereby very many of the manufacturers of this nation are become excessively burdensom and chargeable to their respective parishes, and others are thereby compelled to seek for employment in foreign parts,' proceeds to ordain, that, after the 29th of September 1701 no wrought silks, bengals, nor stuffs mixed with silk and herba,

of

of the manufacture of Persia, China, or East India, nor calicoes, painted, dyed, printed, or stained, in those countries, should be worn or used in England, Wales, or Berwick upon Tweed, except such as are made into apparel or furniture before that day.—All such goods, imported after that day, must be warehoused and exported.—In order to prevent clandestine importation, all such goods shall be imported into London, and no other port; and they shall pay no duty, except the half subsidy.

This prohibition, which appeared so necessary for the preservation of the great body of the manufacturers, still further aggravated the distress of the vast numbers of people concerned in the India trade through all its ramifications, and completed the ruin of such of the members of the Old Company as were obliged to sell out their stock, which the arts of the stock-jobbers reduced so low as *thirty-seven* per cent.

The unhappy state of their affairs seems to have rendered the two Companies keener than ever in their exertions for their mutual destruction. Their animosities divided the whole kingdom into two parties, who are supposed to have coalesced with the two political factions, who then distracted the nation, the Old Company being supported by the Tories, and the New by the Whigs. Upon the dissolution of the Parliament in April 1700 both Companies exerted themselves to get their friends elected. The whole nation was in a ferment; and there was no possibility of terminating the contest, unless the two Companies could be induced to unite their stocks and their interests.

After obviating many difficulties, an union was at length effected, which was confirmed on the 22d of July 1702 by a tripartite indenture, wherein Queen Anne, the Old Company, and the New Company, were the parties. By this famous instrument it was determined, that

The Old Company, in addition to their subscription of	£315,000
shall purchase stock at par from the New Company to the	} 673,500
amount of	
making their part of the joint stock	988,500
equal to the New Company's remaining part	988,500
which, with	
the stock of the separate traders *	23,000
make up the total capital of	£2,000,000

* The stock of those subscribers to the loan, who chose to trade on their own separate accounts, hitherto stated at £7,200, was now

found to amount to £23,000. I have not discovered how the difference of these statements is to be accounted for.

The

the forts of

Magazom,
Mahim,
Syon,

Syere,
and
Worle ;

the factories of

Surat,
Swally,
Broach,

Amadavad,
Agra, and
Lucknow ;

the forts of

Carwar,
Tellichery,

Anjengo, and
Calicut ;

the factories in Persia at

Gombroon,
Shyraz,

and
Ispahaun,

with the yearly rent of £3,333 6 8, granted to them by the Sophi of Persia ;
also on the coast of Coromandel

Chingu,
Orissa,
Fort Saint George at Madras, with
the city and dependencies,
Fort Saint David, and its terri-
tory of three miles, containing
several towns and villages.

the factories of Cuddalore,
Porto Novo,
Pettipolee,
Metchelepatnam,
Madapollam,
and
the fort and factory of Vizagapatnam ;

in the island of Sumatra

York fort and factory, with the dependent factories of
Indrapore,
Tryamong,

Sillebar,
&c.

in Cochin China,

the factory of Tonquin ;

in Bengal

Fort William at Calcutta,

the factories of

Sutta-nutty, with its territory,
Ballasore,
Cossimbazar,
Dacca,

Hooghly,
Maulda,
Rajamaul, and
Patna ;

their right to Bantam and any other settlements they ought to possess in the South Sea ;

and all other castles, forts, lands, guns, ammunition, stores, cattle, ships or vessels, plate, rents, customs, prerogatives, and privileges ;

and also

their warehouses and other tenements in Great Saint Helen's in London *.

The following is a view of the trade of the East-India Company (apparently the New Company) from the 29th of September 1698 to the 29th of September 1701.

In the year ending on the 29th of September 1699 they sent one ship for Coromandel, one for Bengal, one for Coromandel and Bengal, three for Surat, one for China, and one for Borneo. The cargoes of the eight ships consisted of

British produce and manufactures, which cost with customs and charges	}	£40,674 11 0
Foreign bullion (chiefly Spanish dollars at 5/ each) and some foreign goods, consisting of stationary ware, wine, and medicines		
		<hr/>
Total cost of eight cargoes		37,394 19 8
The Company also shipped onboard his Majesty's ship Harwich money and goods, for the service of an Ambassador and his retinue, to the amount of	}	5,559 14 11
		<hr/>
Total		£332,954 14 7

In the year ending on the 29th of September 1700 they sent two ships to Limpo in China, one to Limpo and Borneo, one to Coromandel, one to Coromandel and Bengal, two to Borneo, two to Surat, and one to Bengal. The cargoes of the ten ships consisted of

British goods, which cost with customs, &c.	£60,028 7 0
Foreign bullion and merchandize, as before	280,042 15 8
<hr/>	
Total amount of exports in the ten ships	£340,071 2 8

In the year ending on the 29th of September 1701 they sent one ship to Moco (apparently Mocha in Arabia), three to Canton, one to Limpo, one to

* This enumeration is valuable, as showing the state of the Old Company's possessions, and the progress they had made in spreading

their trade over the various coasts of the Indian Ocean, the east part of which they used to call the South Sea.

Amoy (or Emouy), three to Coromandel, two to Surat, two to Bengal, and one to Borneo, being in all fourteen ships, which carried

British goods, cost with customs	. . . .	£75,527	19	9
Foreign bullion and merchandize, as before	. . . .	438,610	4	0
<hr/>				
Total amount of exports in the fourteen ships	. . . .	£514,138	3	9

We here see three Chinese ports, Limpo, Canton, and Amoy, open for the reception of English vessels, whereas the increased jealousy of the Chinese policy in later times has restricted the admission of Europeans to the one port of Canton.

In the year 1699 the Company (most probably the New Company) notwithstanding the repeated disappointments of the Old Company, and their consequent resolution to abandon all thoughts of trading to Japan, sent instructions to their factors in China to use every endeavour in their power to renew a commercial intercourse with that empire, still hoping to make it an extensive market for woollen goods and other English merchandize. But it does not appear that the factors had any success: and the Company have not since made any further attempt. Neither would a trade with the Japanese be so advantageous as the reputed opulence of their country might lead one to suppose. Their manner of living is very simple, and most of the articles they want can be brought to them cheaper from various parts of Asia than from Europe; and copper, the chief article they could give in return, is found in sufficient abundance in the British mines.

The separate traders were in no hurry to deprive themselves of the temporary privilege, or toleration, granted to them in the late act of Parliament, by returning to England. We may form some idea of their dilatoriness, and also of the number of vessels employed by them, from Captain Hamilton, a commander in that trade, and author of a History of the East Indies, who says, that about the year 1706 he himself had three or four large ships at one time in Bengal.

In the year 1704, when the calamities of the war depressed the Government funds, and obliged the Bank of England to issue bills to a large amount bearing interest, the East-India Company had their share of the general distress, and were obliged to borrow a large sum upon their bonds, in order to dispatch their ships.

In the end of the year 1707 the Parliament enacted, that the Company should give bond to the amount of £2,500 for every hundred tuns the ships in their service

service are let for *, in order to secure the landing of the whole of their homeward cargoes, with the sole exception of necessary stores for the consumption of the inhabitants and garrison of Saint Helena, in some port of Great Britain, unless prevented by the danger of the seas, enemies, &c. [*Act 6 Ann. c. 3.*]

In consequence of a new agreement made by the Company with the Ministry, the Parliament passed an act in the same session, whereby the Company became bound to pay into the Exchequer the sum of £1,200,000, for which they were to receive no interest, or, in other words, to accept *five*, instead of *eight*, per cent on their capital, thereby augmented to £3,200,000, the additional, as well as the original, stock being exempted from all taxes.—For the purpose of raising this sum, the two Companies (their stocks not being yet united) were authorized either to borrow £1,500,000 under their common seals, or to make calls upon the proprietors.—In consideration of this additional payment, and that the Company ‘may have time to settle factories, and perform such other matters and things as are necessary for carrying on the said trade to their best advantage and profit,’ their privilege of exclusive trade to India is prolonged to the 25th day of March 1726, with three years’ notice after that day, when, upon repayment of the capital sum of £3,200,000, it shall cease.—The proprietors of the separate stocks, to the amount of £7,200 †, are confirmed in the right of carrying on their separate trades till the 29th of September 1711, after which the United Company may give them notice, that in three years they will pay off their stock, which shall thenceforth be vested in the Company.—In order to complete and perfect the union between *the Company of merchants of London trading into the East Indies* and *the English Company trading to the East Indies*, they agree to refer all matters in difference between them to the arbitration of the Earl of Godolphin, whose award, to be given before the 29th of September 1708, shall be binding and conclusive. After the award the twelve *Managers* of the Company of the merchants of London, and the twelve *Managers* of the English Company, shall be the *Directors* of the Company, who shall then be called ‘THE UNITED COMPANY OF MERCHANTS OF ENGLAND TRADING TO THE EAST INDIES.’—The grant of the duty of five per cent upon the imports from India, hitherto appropriated for the support of Ambassadors, is now rescinded.—After the 25th of March 1708

* By this act, and the Company’s 9th bye law (see *Russel’s Collection* of statutes) it appears, that the Company had now given up building and owning ships, and had established

the system of carrying on their trade by chartered ships, as is done at present.

† Here we again find the capital of these separate traders stated by Parliament at £7,200, not £23,000. See above, pp. 158, 161.

the officers of the customs shall receive the Company's bonds in payment of all bondable duties on the merchandize imported by them. [*Act 6 Ann. c. 17.*]

It is proper to observe, that, when the Company were obliged to raise, and pay into the Exchequer, the sum of £1,200,000, the legal interest of money in England was six per cent; and that they paid that large sum merely for an addition of not quite fifteen years to the term of their privilege. Of their capital of £3,200,000 they had not one penny to carry on their trade with, the whole being lent to Government, and the last sum without any interest. The whole benefit derived to their trade from their capital, so invested in the national debt, was, that it served as a fund of credit, whereby they were perhaps the better enabled to borrow the sums necessary for carrying on their trade, every penny of which, we thus see, was necessarily borrowed money. Those therefor, who consider the large bond debt, owing by the Company, as a proof of extravagance or mismanagement, must evidently be very deficient in information, or in candour.

The Old and New Companies having submitted the settlement of their accounts to the Earl of Godolphin, agreeable to the act of Parliament, that nobleman on the 29th of September 1708 gave his award, whereby the Old Company were required to transfer the debts owing to them in Great Britain to the Queen, that she might regrant them to the New (or United) Company, who should thereby become liable to pay the debts owing by the Old Company.—That, as the separate effects of the Old Company would not be sufficient to pay their foreign debts, they should pay £96,615 4 6 *for the benefit of the united trade*: and they should also pay £66,005 4 2 to the New Company, *for the use of their respective members*, in consideration that the effects of the New Company were estimated to exceed the debts due by them on their separate account.—The Old Company were directed to transfer to their own members their respective shares of stock, which they were to hold as members of the United Company.

By this famous award, founded upon the above-mentioned act, an end was legally put to all the jarring interests, which had hitherto distracted the English trade with India, and the Company were placed nearly upon the same footing upon which they have remained ever since.

In order to prevent any improper interference in the affairs of the East-India Company and the Bank, it was enacted by Parliament, that no person should ever be a Director of both at the same time. [*Act 9 Ann. c. 7.*]

On the 25th of March 1709 the United Company made a dividend for one quarter of a year, which was only at the rate of *five per cent* for the year. It is

is probable that the expenses of their new arrangements made that dividend unusually low; as we find that on the 29th of September in the same year the proprietors received their half-year's dividend at the rate of *eight per cent*; after which it was paid at the rate of *nine per cent* till the 29th of September 1711; and, notwithstanding so good a dividend, the price of the Company's stock in November 1711 was only $124\frac{1}{2}$ per cent. After September 1711 the dividend was raised to *ten per cent*, at which rate it continued till the 24th of June 1722.

In the year 1712, on the humble petition of the United Company, the Parliament, in order to enable them the better to proceed in their trade, and to make lasting settlements for the support of it, and for the benefit of the British nation, enacted, that the Company should enjoy their privileges agreeable to former acts and charters till the 25th of March 1733, and three years' notice after that day, when upon repayment of their capital of £3,200,000, with the interest due on it, their annual payment of £160,000 should cease and determine. [*Act 10 Ann. c. 28.*]

This prolongation of the privilege was, for ought that appears, a gratuitous favour on the part of Government to the Company.

At this time the Company, in a petition which they presented to Parliament against a bill for imposing additional duties upon calicoes, tea, coffee, drugs, &c. stated the amount of their annual exports of woolen goods and other British merchandize at £150,000.

The original Company's acquisition of some villages, upon the ground of which the chief part of the great and populous city of Calcutta has been built, has already been related. The growing prosperity of the settlement was somewhat interrupted by the rivalry of the New Company, who settled a factory at Hooghly; but this evil was soon removed by the union of the two Companies: and the United Company, sensible of the increasing value of the commerce of Bengal, and of the importance of Calcutta, now become their principal establishment in that province, improved the fortifications, and augmented the garrison. In the year 1707 the factory at Calcutta, which had hitherto been subordinate to Madras, was declared by the Company an independent presidency.

Jaffier Khan, the Nabob of Bengal, viewed with an evil eye the tranquillity and prosperity of Calcutta; and that prosperity was with him a sufficient reason for renewing the oppressions of his predecessors, as the Company would now be much better worth the trouble of fleecing them. With that intent he removed his residence from Dacca, which lies between the Ganges and the Burampooter,

to Muxadabad, situated on the Hooghly River, that he might be more at hand to controul and harass the Company's servants. There he soon began to show his disregard to the Emperor's grant of privileges, and practised every possible extortion upon all the European factories indiscriminately, and also upon his own subjects, whereby he rendered himself the object of universal dread and detestation.

The Company, when they were informed of the Nabob's proceedings, sent orders to the presidencies of Bombay, Madras, and Calcutta, to join in a representation of their grievances, and a petition for redress, to be presented, together with a splendid present, to Furrukshir, the Great Mogul, by Ambassadors to be deputed by the Governor of Calcutta. Messieurs Surman and Stephenson, the Ambassadors, and Serhaud, a great Armenian merchant, who was joined with them, attended by a suitable retinue, and carrying a very magnificent present, arrived at Delhi, the Imperial residence, in July 1715 *, and were obliged to wait for the lingering determination of the Emperor, or rather of his Ministers, till July 1717, when advices from Surat of the English factory being withdrawn from that place on account of the impositions upon the trade, together with the expectation of a strong British fleet in the Indian seas, and the apprehension of a repetition of the distress brought upon the trade of that place by a fleet in the year 1687, determined the Court to grant every one of their requests, which were written at large in mandates addressed to the Nabobs of Bengal and Guzerat and the Subahdar of the Deccan †, and sealed with the Emperor's seal.

By the Imperial mandates and patents, in all thirty-four, now obtained—The cargoes of English ships, which might be wrecked, were exempted from plunder.—In consideration of a fixed sum to be paid to the Mogul's Governor at Surat, the Company's trade should be exempted from duties, and from the

* It has been noticed that the first privileges granted to the Company in Bengal were procured for them by a medical gentleman: and on this occasion their interest was again accidentally promoted by a professor of the healing art. On the arrival of the Ambassadors at Delhi the Emperor was in a condition, from which, it might be supposed, the rigorous restraints of an Imperial seraglio ought to have exempted him. His own medical men being unable to relieve him, he applied to Mr Hamilton, the surgeon of the embassy, who in a few weeks effected a cure, in gratitude for which

the Emperor promised to grant the Ambassadors every thing they should ask, consistent with his dignity. The tedious delay which ensued, notwithstanding this favourable disposition in the Sovereign, was occasioned by the jarring interests of the courtiers, and the intrigues of the agents of the Nabob of Bengal.

† The terms, Subahdar and Nabob, are often promiscuously used by Europeans: but they are by no means synonymous, the Subahdar being immediately under the Great Mogul, and having sometimes several Nabobs under his command.

visitations and extorsions of officers.—The rupees, coined at Bombay and Madras, should be received in payment of the Mogul's revenue.—Three villages, contiguous to Madras, taken from the Company by the Nabob of Arcot, should be restored.—The island of Diu, or Divi, near Masulipatnam, should be made over to the Company for an annual rent of 7,000 pagodas.—All persons indebted to the Company in Bengal, whether Europeans or natives, should be delivered to the presidency at Calcutta.—Three days in the week should be allowed for the coinage of the Company's money in the mint at Muxadabad.—A dustuck (passport) from the President at Calcutta should exempt the goods specified in it from being searched by the revenue officers.—The Company were authorized to purchase thirty-seven towns, situated on both sides of the Hooghly River, on terms similar to those, on which they had purchased Calcutta and the two adjacent villages.

This extensive grant of privileges and accommodations was considered as the Company's commercial charter, as long as they stood in need of protection from the Princes of the country. The orders addressed to the Nabob of Guzerat and the Subahdar of the Deccan were duely respected by them. But Jaffier Khan, who perceived that the possession of the towns upon the banks of the Hooghly would enable the Company to command the navigation of the river by erecting batteries on both sides of it, completely frustrated the Emperor's grant for the purchase of them by threatening the proprietors with his vengeance, if they accepted any proposal made to them by the Company's servants for the purchase of them.

Charles VI, Emperor of Germany, and Sovereign of the Austrian Netherlands, for whose sake Great Britain had supported a war of unprecedented expenditure of blood and treasure, the consequence of which is felt to the present day, set up an East-India trade at Ostend, to be conducted under the sanction of his passports *. But, it being soon discovered, that the capital of this nominally Netherland trade was almost entirely the property of English and Dutch merchants, and that even the ships were chiefly navigated by British seamen, a proclamation was issued on the 18th of October 1716 strictly prohibiting all British subjects from being concerned in the stock of foreign Companies trading to the East Indies, or sailing onboard their ships. But this proclamation not being duely attended to, the prohibition was further enforced in the year 1718 by an act of Parliament [5 *Geo. I.*, c. 21.], which

* The history of the Ostend East-India trade will be found in the subsequent part of this work.

inflicted a penalty of £500 upon every person acting under a foreign commission for trading to the East Indies after the 5th of February 1718-19, and empowered the officers of the East-India Company to seize all such persons found in India, and send them home to be tried in England. This act, being temporary, has been frequently renewed, but has never completely effected the purpose, for which it was enacted.

In the year 1720, famous, or rather infamous, for the delusion of the South-Sea scheme in England, and the Mississippi system in France, the stock of the East-India Company was raised, by the frantic blowing up of the South-Sea stock, to the price of *four hundred and forty-five per cent*, though the dividend was only *ten per cent*, and the illicit practices of the adventurers in the Ostend East-India trade made it more probable that the dividend should be lowered than that it should be raised. It is proper to observe, that the stupendous financial speculations and professions of the South-Sea Company ended in complete disappointment, and, instead of discharging the national debts, as the projectors of it wildly promised, left the nation deeper in debt than before, and ruined thousands of families. In order to give some relief to this unfortunate Company, oppressed by the enormous weight of their capital, the Parliament in the year 1721 authorized them to ingraft eighteen millions of it into the capitals of the Bank and the East-India Company at the rate of £120 for £100 of Bank or East-India stock. But the Parliament did not propose to compell those Companies to accede to the measure proposed; and the act had no effect whatever. The Bank, it is true, purchased four millions of the South-Sea stock, which, as soon as it was transplanted into their more productive soil, they transferred to individuals at the rate of 118 per cent. The East-India Company, who do not appear to have ever had any connection with the South-Sea Company, or to have imitated any of their wild schemes, purchased no part of their stock.

They found their attention sufficiently taken up by the embarrassment brought upon their commerce in consequence of the continued invasion of their privilege by British subjects, acting in India as subjects of the Emperor, in the service of the Ostend East-India Company, who, though not yet formally chartered, enjoyed all the privileges of a chartered Company. This interference, concurring with some other distressing circumstances, obliged our East-India Company at Midsummer 1722 to reduce the annual rate of their dividend from *ten* to *eight* per cent.

On the 24th of September 1726 the King granted a charter, authorizing the establishment of a Court, consisting of a Mayor and nine Aldermen, in

each of the Company's principal settlements of Madras, Bombay, and Calcutta, for trying all causes, civil or criminal, except high treason. The powers, conferred by this charter, were enlarged, and more accurately defined, by a subsequent charter in January 1753.

When the Company's privilege wanted six years of being fully expired, a very powerful effort was made by numerous associations of merchants and others in London, Bristol, and Liverpool, to get the joint-stock trade abolished, and a regulated Company established, the partners of which, they alleged, would export a much larger quantity of British merchandize to India, and would serve the British consumers, and also foreign merchants, with India goods on much lower terms than the present Company did, whereby the trade would be greatly extended, more ships and seamen would be employed, and the revenue would consequently be much improved. In order to induce the Parliament to sanction their scheme, they presented a proposal in February 1729-30 to advance £3,200,000 for the purpose of paying off the debt owing to the present Company by the Public, for which they should accept interest at *four per cent* till the 25th of March 1733, and thereafter only *two per cent*, whereby the Nation would have an annual saving of £92,000; in consideration of which they petitioned to be incorporated as a regulated Company for thirty-one years, with three years notice after that term. They requested a power to levy a duty of one per cent on exports, and five per cent on imports, in order to defray the expense of forts and settlements in India; and upon these terms they proposed that all British subjects should be freely admitted to trade in India under their licence, and that the trade should be confined to the port of London.

It was necessary also to show some prospect of advantage to induce people to become subscribers to the intended new Company; and they held out the following.—A certain interest of two per cent upon the capital*.—One per cent on the exports.—Five per cent on the imports, which, supposing them not to go beyond the present annual amount of £3,000,000, would produce £150,000 a-year, which, as the present Company's forts support their own expenses, will be all clear profit: and even, *if* they should be obliged to pay the present Company for their forts and settlements, the expense would soon be reimbursed by the increase of the trade.—From these premises they concluded, that they should be able to make dividends of *five* or *six* per cent upon their capital.

* A most tempting certainty, to-be-sure!

The Company, on the other hand, represented, that their annual sales, which amounted to £3,000,000, yielded a revenue to Government of £300,000 clear of all deductions of drawbacks, &c.—The support of their forts and factories required an annual expense of £300,000.—It was not probable, that a trade, which every man might take up, or lay down, at his pleasure, would be able to produce so much revenue, and bear the expense of forts, and factories.—The uncontrouled separate traders would infallibly renew the distress,, which nearly effected the ruin of the trade, when the two rival Companies and the separate traders were all trading in competition.

It does not appear whether the projectors of the new scheme obtained a subscription to the extent they required. But surely the prospect of emolument, when they dressed it out to the best advantage, was not very alluring. Five or six per cent for the advance and risk of an undertaking, on which there might perhaps be no profit, or even a total loss, for they must have incurred their expenses; whether there should be trade to support them or not, was certainly no inducement for any man of common prudence to venture his capital. The scheme, indeed, seems to have been calculated (one might suppose, under the influence of Dutch or Netherland politics) not only to annihilate the joint-stock Company, and deprive the members of it of a great part of their property*, but also to destroy the British commerce in India, and to ruin the projectors themselves. The only real effect, which it produced, was obliging the Company to pay with large interest for the prolongation, which they seem to have obtained gratuitously in the year 1712.

Agreeable to the offers, apparently, extorted from the Company, the Parliament passed an act [*3 Geo. II, c. 14*], whereby the Company became bound to pay £200,000 into the Exchequer on the 24th of December 1730, and not only to receive neither interest nor reimbursement of that sum, but also to give up, after the 20th of September 1730, one per cent of the interest already secured to be paid to them till the 25th of March 1736, their yearly fund of interest on the old capital of £3,200,000 being thereby reduced from £160,000 to £128,000.—On one year's notice after the 25th of March 1736 the Parliament might pay off the whole capital of £3,200,000, or any part of it in sums not under £500,000 at a time, and cut off a proportional part of the interest at four per cent.—Notwithstanding the repayment of the whole or a

* They proposed to pay off the Company's capital at the rate of 100 per cent, though it was worth, and had actually cost many of those, who were then proprietors, a vast deal more :

and they seem to have proposed to take the forts and other property of the Company in India from them without any compensation whatever.

part of the capital, the Company have a right to continue a body corporate and politic under their present name, with *perpetual succession*, and to enjoy all the privileges and benefits conferred by former acts and charters, and to possess the *exclusive trade* within the limits assigned by former acts and charters, and with all their former privileges and powers, till the 25th of March 1766, with three years after that day, when, upon full repayment of their capital of £3,200,000, with the interest due upon it, their exclusive privilege may be withdrawn; after which they have still a right to trade to India in a corporate capacity with the whole or any part of their joint stock.

By this act thirty-three years were added to the term of the Company's exclusive trade, for which they paid in ready money £200,000
and a reduction of the interest on their capital from five to four }
per cent, which was worth } 640,000

In consequence of this heavy payment, and the defalcation of their interest, they were obliged to reduce their annual dividend at Christmass 1732 to *seven* per cent, at which rate it continued till Midsummer 1743, when it again got up to *eight* per cent.

Nothing memorable occurs besides the commercial transactions of the Company, which having been for many years conducted in the regular routine of an established system, furnish no materials for history, till the year 1744, when, though the term of their privilege wanted no less than *twenty-five years* (including the three years of notice) of being expired, they agreed to advance Government, then much in want of money to carry on a war against France and Spain, the sum of one million at an interest of three per cent, in consideration of which the term of their exclusive privilege was prolonged to the 25th of March 1780, with the usual addition of three years after that day, and with a right, as in the act for the last prolongation, to continue a corporate body, and to trade to India, after the expiration of the exclusive privilege. The debt owing to the Company, now amounting to £4,200,000 (for, notwithstanding the stipulations formerly enacted, no part of it had been discharged) may be paid to them, either in whole or in sums not under £500,000 at a time, upon a year's notice at any time after the 25th of March 1745: and, in order to enable the Company to make the payment now agreed for, they are authorized to borrow any sum not exceeding a million. [*Act 17 Geo. II, c. 17.*]

As the additional annuity of £30,000, now acquired by the Company, was worth only £600,000, reckoning five per cent the fair value of interest, it follows that they paid £400,000, with twenty-two years' interest on that sum, for the premature extension of the term of their privilege.

The

The peace, concluded in the year 1748, having put a stop to annual loans; and the punctuality, with which the dividends, or interest, on the national debt were paid, having rendered this country the depository of much of the spare cash of different parts of Europe, there was such a glut in the money market, as enabled the Minister, in the beginning of the year 1750, to make a loan for *one million* (the sum then required for winding up the accounts of a war) at an interest of *three per cent*.

The Ministry were encouraged by this redundance of money to attempt a general reduction of the interest on the national debt, ‘with a strict regard to ‘public faith and private property,’ for which purpose an act [23 *Geo. II, c. 1*] was passed in the end of the year 1749, requiring all the proprietors of the national debt, which amounted in the whole to £57,703,475 6 4½, who were willing to have their interest reduced, after the 25th of December 1750, to *three and a half per cent*, at which rate it should continue till the 25th of December 1757, and thereafter to *three per cent*, to signify their consent by subscribing their names in books to be opened at the Exchequer, Bank, &c. before the end of February 1749-50. But the East-India Company and many other proprietors of the national debt being found very unwilling to surrender so great a part of their income, the Parliament, in order to punish their backwardness, passed another act [*c. 22*] in the same session, whereby the time, allowed to the outstanding creditors for signifying their consent to the proposed reductions, was extended to the 30th of May 1750: but, as a penalty for their delay, they were to be reduced from three and a half to three per cent two years sooner than those who had yielded obedience to the first act. Those, who should still refuse to subscribe, were to be paid off on the 25th of March and the 24th of June 1751 with money to be borrowed for that purpose. If the East-India Company should persist in refusing the offered conditions, not only the sum of £3,200,000 bearing interest at four per cent, but also the £1,000,000 bearing interest at three per cent, should be paid off, by four payments to be made in the course of the year 1751. In case of their compliance within the prescribed time, they were empowered to borrow money to the extent of £4,200,000, at the same rates of interest which they were to receive, for the purpose of discharging their bond debt.

The Company, as well as most of the other creditors, found it necessary and prudent to submit, whereby their annuity, or interest, on their original property of £2,000,000 in the public funds, which at first was at the rate of *eight per cent*, was reduced to *three*, making, first and last, a diminution of £100,000 in the annual income arising from that branch of their capital: and this
reduction

reduction of the expenditure of the nation, and consequently of the income and expenditure of a prodigious number of individuals, has been called by some political writers 'one of the most beneficial schemes that has for a long time been set on foot in this country.'

The Company made use of the power, conferred upon them by the act, so far as to borrow £2,992,440 5 0; and it is said that they obtained the loan at an interest of *three per cent*, or in other words they received that sum by the sale of annuities to the amount of £89,773 4 0 payable at the India house. That a Company, possessing no power of compulsion, should be able to raise money at little more than half the legal rate of interest, was a very strong proof of the confidence of the Public in their stability and prosperity, as well as of the great abundance of money in the country.

Though the Company's commercial concerns were in the most flourishing state, the defalcation of £32,000, now struck off from their annual income, together with the pressure of some extraordinary expenses in India, obliged them to reduce their annual dividend at Christmass 1755 from *eight* to *six* per cent.

It now becomes necessary to take a rapid glance of the revolutions in India, which, by obliging the Company to act as a warlike, as well as a commercial, community, have, by a succession of extraordinary and unexpected events, thrown into their hands such a large portion of the territory of the country, as places them at least on a level, in respect to the number and opulence of the people living under their government, with the greatest Sovereigns of Asia, the Emperor of China only excepted.

For above two centuries after the commencement of the European intercourse with India, the Great Mogul was universally considered as the most powerful and most opulent Sovereign in the world. Reigning over a vast extent of fertile country, filled with an industrious and gentle race of people, who quietly submitted to the dominion of a Prince of a foreign lineage and adverse religion, supported by a comparatively small number of his countrymen and other foreigners *, he delegated the government of his numerous provinces to officers called Subahdars and Nabobs, who were invested with such portions of the sovereign power, and the command of such armies, as encouraged them, when the sceptre passed into the hands of weak and voluptuous Princes, to make great encroachments upon the power, while they professedly respected the

† Mr. Orme, in his 'History of the military transactions of the British nation in Indostan' [V. i, p. 24], calculates the Mohamedan pop-

ulation at near ten millions, and that of the original natives at ten times as many.

prerogative, of the Emperor. These great officers, though there were, according to the constitution of the empire, sufficient checks upon their conduct to keep them within the line of their duty, under the government of a vigorous Sovereign, found means, during relaxed reigns, to render themselves nearly independent of the Imperial throne, and to make the revenue of the Sovereign just what they thought proper to allow him : and in process of time they easily persuaded him to commute a fluctuating and uncertain income for a fixed annual payment, whereby the whole remaining revenue of the provinces became legally appropriated to themselves. This was the state of the empire, when it was invaded by Thamas Kouli Khan, the usurper of the throne of Persia, who, after pillaging the capital, desolating many of the provinces, and compelling the unfortunate Mogul to cede to him the territories situated on the west side of the River Indus, returned to Persia in the year 1739 with plunder to the amount, it is said, of above seventy millions sterling *. The provincial Governors, seeing their unhappy Sovereign thus humbled by a bold usurper, were encouraged to withhold the payment of the stipulated tribute, which, they knew; he was not in a condition to enforce, and assumed independent power in their own territories, and also a right, in violation of the constitution of the empire, of transmitting their governments to their heirs, though they still acknowledged the nominal supremacy of the Mogul. Their independence was soon followed by quarrels among themselves ; and the miserable people were exhausted, and literally starved, by taxes extorted from them for the support of armies, by whom the fruits of the earth were devoured.

In the year 1746 the French forces from Pondichery took Madras, which had been for a century the principal settlement of the English Company on the coast of Coromandel. It remained, however, but a short time in their possession, being restored to its former proprietors by the treaty of Aix-la-Chapelle in the year 1748.

During the war, which was now terminated, the English and French Companies had become military powers in India, and their forces were so much augmented, as to place them on a level, in point of political importance, with the greatest of the Princes, among whom the country was now divided. Before the commencement of this war, those Princes, whose ignorance of history prevented them from knowing that the predecessors of some of them had been

* Some accounts make the amount of the plunder £125,000,000, and others, £231,000,000 sterling. But the smaller sum, which is that

stated by Mr Orme, seems to be fully as much as can be reconciled to any idea of credibility.

kept in subjection by a handful of Portuguese soldiers, had been accustomed to consider the English and French factors and agents merely as their dependents or subjects. But late events having made them sensible of the vast superiority of the Europeans in the art of war, they began to entertain a more respectful opinion of them, and even to court their alliance in their wars with their neighbours.

Saujohee, a deposed King of Tanjore, applied in the year 1749 to the English Presidency at Fort Saint David * for their assistance to reinstate him in the dominions, from which he was ejected by his half-brother Pratop-Sing, offering to cede to them the town and district of Devicotah, and to pay the expenses of the war, when he should obtain possession of his dominions. The members of the Presidency, without sufficiently considering, whether, as servants of a commercial Company in England, they had any right to interfere in adjusting disputes among the Princes of India, thought proper to engage in his cause. They did not succeed in restoring Saujohee; but they obliged Pratop-Sing to allow him a pension, to pay the expense of the expedition, and to cede Devicotah, with a district of the annual value of 9,000 pagodas, to the Company.

Upon the death of Nizam-al-muluk, the Subahdar of the Deccan, in the year 1748, his second son Nazir-Jing, and his grandson Murzafa-Jing, disputed the succession, which by hereditary right (if there had been any hereditary right) belonged to Ghazi-o-din Khan, the oldest son of the Nizam, then residing at Delhi as Captain-general of the Mogul's army. At the same time Chunda-Saheb, who adhered to Murzafa-Jing, claimed the nabobship of Arcot, or the Carnatic, then possessed by Anwarodean-Khan. These two pretenders applied to M^r Dupleix, the French Governor of Pondichery, and promised such advantages to himself and the French East-India Company, if they should by his assistance obtain the objects of their ambition, as induced him to espouse their cause. Anwarodean-Khan was defeated and slain in a decisive battle, which established Chunda-Saheb as Nabob of Arcot, the formal patent for his exaltation being granted to him by his friend Murzafa-Jing, in the quality of Subahdar of the Deccan. Mohamed-Ally, a son of Anwarodean-Khan, who had escaped from the battle, observing that his enemies owed their success entirely to the superior military knowledge and discipline of their French allies, endeavoured, as his only chance of retrieving his fortune, to counteract that advantage by obtaining similar assistance from the English. Nazir-Jing also petitioned

* Madras, the proper seat of the Presidency, was not yet delivered to the Company by the French.

for their assistance at the same time ; and the greatness of his army, consisting of 300,000 men, with 1,300 elephants and 800 pieces of cannon, appeared to the members of the Presidency a proof that he was the rightful Subahdar. They accordingly sent some forces to his camp, who, however, soon returned to Fort Saint David without having achieved any important advantage to their allies ; and, indeed, the Presidency were not very hearty in the cause, as they were not warranted to engage in such affairs by their employers in London, nor were they without apprehension of incurring the resentment of the Mogul Government, which, though now reduced to a shadow, was still respected, if they should act against the party favoured by the Imperial Court.

After several vicissitudes of the sudden revolutions, which are common in India, Murzafa-Jing was established as Subahdar by the French forces, and rewarded their important services by constituting M^r Dupleix his Deputy-governor of the whole country south of the river Kristnah, in extent not very much inferior to the kingdom of France, comprehending several nabobships, and yielding a vast revenue : and he also granted to the French East-India Company the property of considerable territories adjacent to their settlements, and yielding large revenues.

Murzafa-Jing, having now obtained the victory over his competitor, though at the expense of cessions which left him a revenue little adequate to the splendour of his rank, set out upon a triumphant progress from Pondichery to Hyderabad, the capital of his dominions. On the way he was attacked by some discontented Nabobs, and killed in a skirmish. The French forces, who were escorting him, thereupon released three of his younger brothers, who were kept in confinement, and proclaimed the oldest of them, called Salabat-Jing, the Subahdar of the Deccan.

The English Presidency, agreeable to the cautious policy, which they had proposed for the rule of their conduct, took little or no concern in the events of this war, till the year 1751, when they were provoked by an arrogant display of flags, set up by Dupleix in his new territory, and even upon the English Company's lands contiguous to Fort Saint David. Considering this as an act of hostility against themselves, they determined to support Mohamed-Ally in his claim to the dominion of Arcot, and immediately sent him as large a reinforcement as they could spare, under the command of Captain Gingen ; and soon after another detachment followed, commanded by Captain Clive, a self-taught warrior, who had originally been appointed to the civil service of the Company. On the 1st of September Clive took the fort of Arcot, in which he found effects to the value of £50,000, lodged there for security by

the merchants of the country, to whom he restored them without any ransom, and thereby acquired the esteem and good will of the natives to himself, and his nation. In a few days he was besieged by the increased forces of Chunda-Saheb and his French auxiliaries; and his defence of this Indian fort was worthy to be compared, for military conduct and final success, with that of Rome by the great Belisarius. It would be tedious and disgusting to narrate all the battles, sieges, and assassinations, of this desolating warfare, in the course of which scarcely any military conduct or fortitude was displayed, or any action of consequence performed, on either side but by the European auxiliaries.

In the year 1753 the Directors of the English East-India Company, alarmed at the new and dangerous situation of their affairs in India, solicited the British Government to assist them, either to finish or carry on the war, their own forces being unable to contend with those of the French Company, supported by their Government. A negotiation was thereupon commenced with the Government of France, who sent two Commissioners to London in order to terminate the matter amicably. The British Ministry, thinking that the French Commissioners were endeavouring to spin out the negotiation to an unnecessary length, ordered a squadron of ships of war with a regiment of soldiers to sail for India. The French Government thereupon agreed that all matters in dispute should be adjusted in India by Commissioners deputed from the two Companies, who should draw up a conditional treaty, subject to the revisal of both Companies in Europe; and, as it was apprehended that Dupleix would not be very cordial in promoting pacific measures, M^r Godeheu, a Director of the French East-India Company, was appointed to supersede him in the Government of Pondichery.

On the 2d of August 1754 M^r Godeheu arrived at Pondichery. He immediately opened a correspondence with M^r Saunders, the English Governor of Madras, and, as a mark of his desire to promote the object of his mission, he restored a number of Swiss soldiers belonging to the English Company, who had been made prisoners by a French ship of war.

By the end of the year M^r Saunders and M^r Godeheu had drawn up a provisional treaty for restoring peace to the Carnatic, whereby it was agreed, —That both Companies should renounce Mogul governments and dignities, and all interference in India politics.—The English Company should retain Madras, Fort Saint David, and Devicotah, with their districts, and some other places of inferior importance; the French Company should possess Pondichery and Karical with their districts, and some other places respecting which future arrangements

arrangements should be concerted for the purpose of bringing the possessions of the two Companies to an equality, and no new forts should be built by either party.—The prisoners should be exchanged as far as the French could deliver English prisoners *.—Both parties should unite, if necessary, to compel their Indian allies to keep the peace, or rather truce; for the articles now drawn up were not to be valid, unless they should be ratified by the two Companies in Europe.

The presence of a squadron of ships under the command of Admiral Watson, sent by the British Government to the coast of Coromandel, is supposed to have considerably promoted the conclusion of the treaty. That object being accomplished, and there being a prospect of tranquillity, the ships made several trips previous to the month of February 1756, when they were employed in an enterprise, undertaken for the relief of the ships of all nations having occasion to sail near the west coast of Hindoostan.

A tract of the coast between Bombay and Goa, extending about 120 miles from north to south, was occupied by a formidable nation of pirates, governed by chiefs, who successively took the name, or title, of Angria. They possessed many fortified posts, reckoned impregnable by the warriors of India; and their fleet was not only sufficiently strong to overpower merchant vessels, however well armed, but had also taken and destroyed many Dutch and French ships of war. In the year 1722 they had baffled the attempt of a squadron of three British ships of the line and a Portuguese army to take one of their forts; and in the year 1724 a Dutch fleet of seven ships of the line, two bomb ketches, and some land forces, were also repulsed by them. The English East-India Company were put to an expense of £50,000 annually in keeping up a squadron of armed vessels to protect their trade, and, nevertheless, their ships were sometimes taken. In short, so great was the renown of the desperate valour of Angria's subjects, that it was thought to be in vain to make any attempt upon them, till Commodore James, the commander of the Company's ships of war, attacked them, in the year 1755, with a ship of forty-four guns, a vessel of sixteen guns, and two bomb ketches, put their fleet to flight, and in one day took their strong fort of Severndroog, situated on a small rocky island, and also two forts upon the main land, all which he put into the hands of the Mahrattas, to whom they had formerly belonged.

The Presidency of Bombay, encouraged by the success of Commodore James, proposed to follow it up by a decisive blow at Gheria, the capital station

* The English Company's army had taken 900 prisoners from the French, who had only 250 prisoners to give in exchange; so that 650 French prisoners still remained in captivity.

of Angria, which stands on a peninsular rock, somewhat like Gibraltar; and Admiral Watson agreed to co-operate with all the ships under his command. In February 1756 the fleet, consisting of seven of his Majesty's ships carrying from twelve to seventy guns, and five bomb ketches, accompanied by Commodore James with the Company's two ships of war, and having onboard, besides the men belonging to the ships, 800 European soldiers and 1000 sepoys, commanded by Clive, lately arrived from England with the rank of Lieutenant-Colonel, stood into the river, which serves as a harbour to the fort, burnt the whole pirate fleet, and compelled the garrison to surrender. In the fort they found 200 cannon and abundance of military stores, together with money and effects to the value of £50,000, which were all shared among the captors. The rest of the pirate forts, terrified by the fate of Gheria, afterwards yielded to the Mahratta army, who had attended on the land to co-operate with the fleet. And thus was an end put to a pernicious community of robbers, who had reigned above seventy years, the tremendous and invincible scourge of the navigators of all nations, who ventured to approach the coast of Malabar.

Salabat-Jing was now pretty generally acknowledged as Subahdar of the Decan; and Mohamed-Ally was in possession of most of the territories subject to his predecessors, the Nabobs of Arcot, all the competitors of both these Princes having fallen in battle, been murdered, or rendered unable to assert their pretensions. Nevertheless, both of them were too much taken up with compelling their feudatary Fousdars and Polygars * to make payment of their tributes, or rents, which they are accustomed to withhold till they are forced from them by military execution, to be able to act vigorously in the contest between themselves.

The Nabob had given the Presidency of Madras assignments upon the revenue of a district, amounting to about £80,000 annually, to which he afterwards made some addition, which was, however, far from being a compensation for the heavy expense of the war undertaken upon his account, which had very much impaired the Company's commercial funds. The Subahdar had put his French allies in possession of a rich tract of country, yielding a revenue of above £300,000, on condition that they should assist him against all enemies

* Fousdars are Governors of districts under a Nabob, who receive the rents from the Zemendars (or land-holders), and account for them to the Government. In troublesome

times they frequently usurp the title of Nabob. Polygars are chiefs of smaller districts, generally in mountainous or woodland countries.

whatsoever. But by one of those sudden revolutions of politics, which are not entirely confined to the Courts of the Princes of India, he became desirous of getting rid of his French friends, and sent an agent to the Presidency of Madras, requesting them to send forces to assist him to drive the French out of his dominions.

The Presidency were prevented from doing any thing in consequence of the Subahdar's request by letters received in July 1756, which obliged them to send all the assistance they could to their friends in Bengal, who were almost destroyed by Surajah-Dowlah, the Subahdar of that country.

In the year 1741 Suffraze Khan, the grandson of Jaffier *, who had been appointed Subahdar of Bengal, Bahar, and Orissa, by the Emperor in the year 1718, was deposed by Allaverdy, an adventurer originally from Tartary. Allaverdy enjoyed the dominions he had usurped, during a turbulent reign of fifteen years, and died a natural death in April 1756. He had no son, and only one daughter, whom he had married to Nowagis Mohamed, the oldest son of his brother Hodgee; but no children were born of that marriage. Though Allaverdy had given his daughter to the oldest of his nephews, he afterwards became more strongly attached to the second son of Hodgee, called Zaindee Hamed, whom he adopted, and destined for his successor. In the year 1748 Zaindee was assassinated by a party of Pitans †, whom he had recently taken into his service. Mirza Mahmud, the oldest son of Zaindee, was now destined for the succession by Allaverdy, who bred him up under his own eye, and altered his name to Chiragee-al-Dowla (the lamp of riches), pronounced by Europeans Surajah-Dowlah. In this youth a naturally-cruel disposition, meanness, stupidity, and habitual drunkenness, were joined with the vices usual in the character of the most worthless of the Oriental Despots. Immediately after his accession he began to harass and levy contributions upon all the European settlements in his dominions, but was particularly exasperated against the English Presidency of Calcutta, because one of his subjects, flying from his tyranny, had been received into the town.

On the 18th of June 1756 he besieged Calcutta, which had scarcely any means of defence against an enemy, and on the 20th he got possession of it. Enraged at finding only 50,000 rupees in the Company's treasury, and pre-

* For this Jaffier's hostile treatment of the Company see above, p. 168.

† The Pitans, Pattans, or Afghans, are a nation of brave, or rather ferocious, soldiers,

situated in the north part of Hindoostan, and are of the Mohamedan religion, though they are believed to be of Indian origin.

tending that a much greater treasure was buried under ground *, as a punishment for the concealment, he crammed one hundred and forty-six of the principal inhabitants into an apartment, not twenty feet square, which, having been used as the prison of the garrison, was therefor called *the Black hole*, where the intolerable heat, the night being uncommonly sultry, killed them all, except twenty-three, who were allowed next morning to come out. The tyrant, after committing this atrocious massacre, went to sleep with as much composure as if he had performed a meritorious action; and no one durst presume to awake him to inform him of the miserable state of the dying prisoners. After receiving the congratulations of his courtiers upon his glorious achievement, and leaving a garrison of 3,000 men in Calcutta, he returned to his capital, very much elated with the belief that he had completely exterminated the English.

The Company's affairs in Bengal seemed to be now quite desperate. But Admiral Watson and Colonel Clive were soon at hand with relief. The dispersed members of the English settlements re-assembled, and recovered their spirits. Calcutta was retaken, and fortified. Surajah-Dowlah was glad to make peace, and on the 9th of February he swore upon the Koran to preserve it inviolably. The articles were—That the Company should have the full enjoyment of all the privileges granted to them by the Emperor Furrukshir.—Their settlements, and the property plundered from them, should be restored.—They should be at liberty to fortify Calcutta, and to establish a mint in it.

There was reason to hope that tranquillity would now be restored to the settlement. But in a few days after signing the treaty, Surajah, with the most infamous disregard to his oath, sent letters to Bussy, the French General in the Deccan, inviting him to come to Bengal, and assist him in rooting out the English Company, and also to Law, the commander of a small party of French fugitives, who had been in his service, ordering him to return and join his army †.

Surajah's delay in executing the articles of the peace, and his evasions, proved that he had no intention to be in friendship with the Presidency; and it became necessary to consider of means to counteract his perfidy. Two of the

* His courtiers, knowing his ignorance, animated him to the plunder of Calcutta, in which they expected to share largely, by telling him that it was the richest city in the world; and, to encourage him to the attempt by a prospect of the facility of the execution,

they made him believe that all Europe did not contain above ten thousand men.

† Copies of the letters were found in the possession of his secretary, after he was deposed.

chief men of his court, disgusted by his capricious tyranny, had, each separately for himself, made application for the assistance of the English forces to depose Surajah-Dowlah, and to set himself in his place. Of these the Governor and Council gave the preference to Meer Jaffier, the brother-in-law of Allaverdy, as the most powerful, and therefor the most likely to make good his engagements, and to deliver them from the malice of an implacable enemy.

In the beginning of June 1757 a treaty was executed between the members of the Presidency and Meer Jaffier, who solemnly engaged and swore, that, as soon as he should be established as Subahdar of Bengal, Bahar, and Orissa,—He would confirm the articles agreed to by Surajah-Dowlah.—The enemies of either party, whether Indians or Europeans, should be the enemies of both.—All the French factories should remain in possession of the English Company, and the French should never more be permitted to settle in any part of his dominions.—He should pay a crore of rupees, as a compensation for the damage sustained by the Company when Calcutta was taken by Surajah-Dowlah; he should pay fifty lacks to the English inhabitants of Calcutta, seven lacks to the Armenian merchants, and twenty lacks to the other inhabitants, as compensations for their losses upon that occasion *.—The territory of the Company contiguous to Calcutta should be enlarged, and particularly to the southward it should be extended along the side of the River down to Culpee, they paying the usual rent to the Government; and he engaged to build no new forts on the River lower than Hooghly.—The English forces, when in the service of the Subahdar, should be maintained by him. In addition to these articles of the treaty, he promised large donations to the soldiers and seamen.

Colonel Clive immediately put his little army, consisting of only 900 Europeans and 2,200 Indian soldiers, in motion; and on the 23d of June Surajah, with an army of 50,000 foot and 18,000 horse, with 50 pieces of cannon, and assisted by 40 Frenchmen, who directed the management of the artillery, was totally overthrown by Colonel Clive in the memorable battle of Plassy, whence the conqueror proceeded to Muxadabab, then the capital of Bengal, and invested Meer Jaffier in the dignity of Subahdar of Bengal, Bahar, and Orissa. The wretched Surajah fled from his palace in a mean disguise on the night after the battle, and being soon after discovered by means of a poor man whom he had treated barbarously, he was ignominiously conveyed back to the palace, in one of the most miserable apartments of which he was

* A lack is a hundred thousand, and a crore is a hundred lacks, or ten millions.

murdered by order of Meeran, the son of Jaffier, a youth of a disposition nearly as wicked as his own*.

This revolution, effected in one day by a mere handful of men, but more important in its consequences than most of the protracted wars which have convulsed Europe during some centuries bypast, immediately raised the condition of the Company in Bengal, and of every individual in Calcutta, of whatever nation, from the depth of misery to the highest state of prosperity: all the subordinate factories were re-established, and commerce flourished in the country more than ever.

Some individuals, abusing their good fortune, began to carry on an inland trade in salt, betel-nut, and tobacco, contrary to the express and repeated prohibition of the Court of Directors, for which they even claimed the exemption from duties, which by the Emperor's firmaun was restricted to goods imported and exported. Such conduct produced frequent remonstrances from Meer Jaffier, who found himself sufficiently distressed by the heavy payments he had engaged to make, which obliged him to make extorsions upon his subjects, and left him nothing wherewith to gratify his other friends, even without the deductions now made from his revenue by the practices of the Company's servants and others pretending to derive right from them.

During the alienation and mutual suspicions which ensued, Jaffier was attacked by the Great Mogul, accompanied by a formidable army of Mahrattas. His subjects were disaffected; his army was mutinous for want of pay; many of his great officers, among whom was Mohamed Cossim Ally Khan, his own son-in-law, were conspiring against him; and he no longer had the friendship of the English Presidency, now the arbiters of his destiny. Thus environed with difficulties and distress, he retired to Calcutta, where he lived as a private person, with an ample allowance for his support, under the protection of the Company; and Mohamed Cossim Ally Khan was set up in his place in September 1760.

The new Subahdar, as an indemnification for the expenses incurred by the Company in his exaltation, and in maintaining forces for his protection, ceded to them the districts of Burdwan, Midnapore, and Chitagong, and engaged to pay up the balance of the sum stipulated with Meer Jaffier, and to fulfill all the covenants entered into by that Prince. This was a happy change to the inhabitants of Burdwan and Midnapore, countries situated on the west side of the

* Surajah-Dowlah was not quite twenty years of age, and had reigned only about fifteen months, when he was put to death.

River Hooghly, who had long been harassed by the prædatory incursions of the Mahratta freebooters, occupying the adjoining country, but have ever since enjoyed tranquillity under the protection of the Company's government.

The exemption from customs in Bengal, to which the Company had a right by virtue of the Great Mogul's firmauns and the treaties with Jaffier and Cossim, was also claimed by every person in the Company's service, and even by many who pretended to be employed by the Company's servants, so that the Subahdar's revenue of customs was now reduced more than before, or rather almost annihilated. Cossim resolved to restrict the exemption to the goods actually belonging to the Company, though he was aware that such a restriction must give great offence to the gentlemen in the Company's service, and probably bring on an open rupture. But he was a man of more strength of mind than Jaffier, and made his preparations for the impending contest with such deliberation and prudence, and organized his army with such military skill, that he rendered it much more formidable than those of Surajah-Dowlah or Jaffier. But when the quarrel came at last to be decided by the force of arms, the superiority of European knowlege and discipline finally prevailed; and in October 1763 Cossim was obliged to abandon his dominions, carrying with him treasure and jewels to the amount of about six millions sterling, and to implore the protection of the neighbouring Nabob of Oude. In the mean time the members of the Presidency re-instated Meer Jaffier in the sovereignty (in July 1763).

Sujah-Dowlah, the Nabob of Oude, for some time confined his kindness for Cossim to the protection of his person, refusing to admit into his territory any armed force, which might involve him in a quarrel with the English. But he was afterwards persuaded to depart from that cautious line of conduct, and joined his forces with those of Cossim in hostilities against the Company. The consequence was, that the allied army, though better provided and disciplined than Indian armies usually are, was defeated at Buxar on the 22d of October 1764; a part of Sujah's territory was thereupon occupied by the Company's forces; and on the 20th of May following he sustained a final defeat at Culpee, after which he immediately came to a resolution of surrendering himself and all his dominions to the disposal of Lord Clive, then expected from England.

Lord Clive and the other members of the Select Committee, to whom the Company had committed the important charge of conducting their affairs in this critical conjuncture, wisely considered how much more honourable, and also how much better, it would be for the Company's interest to acquire Sujah's friendship by treating him with a generosity and moderation unknown

in the wars or politics of India, than, by exacting rigorous conditions, to drive a man of his high spirit, and great reputation throughout the whole empire, to desperation. Agreeable to instructions drawn up in this conciliatory spirit, Lord Clive and General Carnac concluded a treaty with Sujah-Dowlah, by which they restored to him the whole of his dominions, except the provinces of Corah and Allahabad; and of these they did not seek to make any advantage, either for themselves or for the Company.

Shah Aulum, though acknowledged as the Mogul Emperor, of whom all the Princes of Hindoostan professed to hold their dignities, territories, and revenues, as his feudatary subjects, had hitherto had neither territories nor revenue at his own command. Sujah-Dowlah, the nominal Vizir, or Prime Minister, of the nominal Emperor, had undertaken to recover some of the provinces for him: but the events of the war having disappointed the Emperor's hopes, he separated himself from Sujah after the battle of Buxar, and put himself under the protection of the Company.

Meer Jaffier, the Subahdar of Bengal, Bahar, and Orissa, on the death of Meeran, his son by the sister of Allaverdy, had appointed Nujum-Dowlah, his natural son, to be his successor, in preference to the son of Meeran, then a child of seven years of age. In the beginning of the year 1765 Meer Jaffier died, whereupon a party immediately declared in favour of his infant grandson. The competition threw the decision into the hands of the Presidency of Calcutta, who resolved to support the nomination of the deceased Subahdar. On this occasion they entered into a treaty with Nujum, dated on the 20th of February 1765, whereby—They engaged to secure him in the subahdary, and also to keep up such a force as should be necessary to support him in it.—The Subahdar on his part bound himself to fulfill all the agreements entered into by his father.—To receive a resident from Calcutta to be constantly with him, and to keep one from himself constantly at Calcutta, and also to put the chief management of his affairs into the hands of Mohamed Reza Khan, a person recommended by the Governor and Council.—To keep no greater military force on foot than should be required for the support of his dignity and the collection of the revenue, and to admit no Europeans into his service.—And not to permit the French Company to erect any fortifications in his country.

The favourable opportunity, afforded by the present state of affairs, for making a provision, in a manner the most honourable to the Company, for the unfortunate Emperor, who was now living under their protection at Calcutta, was embraced by the Select Committee. They put him in possession of the provinces of Corah and Allahabad, yielding an annual revenue of twenty-

seven lacks of rupees, to which they added a settled revenue of twenty-six lacks, to be derived, in consequence of a new arrangement, from the provinces of Bengal, Bahar, and Orissa, the payment of which should be secured to him by the Company.

In gratitude for this important acquisition of real dominion and assured income, the Emperor gave the Company five firmauns, all dated on the 12th of August 1765, whereby he formally made over to them for ever the dewanee*, or right of collecting for their own use the revenues, of Bengal, Bahar, and Orissa, subject to the payment of an income of twenty-six lacks of rupees to himself, and a provision for the proper support of the Subahdar's court, they being also bound to keep up an army sufficient for the protection of the provinces. He at the same time confirmed to them the absolute property of the districts of Burdwan, Midnapore, and Chitagong, and the lands adjacent to Calcutta, formerly acquired from the Subahdars.

By this transaction Shah Aulum, the Great Mogul (if it be not a burlesque to call him Great) acquired, for the first time, some portion of sovereign power, together with a certain revenue amounting to about six hundred thousand pounds sterling. The acquisition of the dewanee removed every source of contention with the Subahdar, who retained all the civil administration, the distribution of justice, the disposal of offices, and every advantage which constitutionally belonged to his predecessors. Instead of an uncertain revenue, extorted from the subordinate Rajahs and Zemeendars, most frequently by force of arms, he enjoyed a regular income of 5,386,131 rupees, for the support of his household and the few guards thought necessary for the purposes of ostentation, all the charges of defending the country being defrayed by the Company. The natives, exempted from the miseries of war, and, protected from the oppression of avarice, could now enjoy their property, which was better secured to them than ever it had been before, at least during the many ages the country had been subject to the Mohamedan yoke. The Company were bound to pay two fixed sums to the Emperor and the Subahdar, to support a military force.

* By the constitution of the Mogul empire, which is still kept up in form, though virtually abolished, the Sovereign is absolute proprietor of all the lands; and for the collection of his rents, land tax, or revenue, he appoints officers, called dewans, who act entirely independent of the Subahdars or Nabobs, and, after defraying the expenses of government and of the army, remit the remainder to the Imperial treasury.

Notwithstanding this absolute property of the soil vested in the Sovereign, the right of the cultivators to dispose of their land by sale or bequest remains unviolated, while they pay the rent, which their predecessors have paid. In the decline of the Imperial power, the Subahdars and Nabobs united the office of dewan with their own, and withheld the revenue from the Emperor.

sufficient for the defence of the provinces, and defray the charge of collection and other necessary expenses, after which the remaining revenue of a country, equal in extent and population to Great Britain and Ireland, and very much exceeding them in fertility, was their own property : and their trade, and also that of the free British merchants, and of the natives, living under their protection, were secured against a repetition of the ravages and insults, to which they had been frequently subjected by the avarice, the malevolence, and the caprice, of former Subahdars.

From this view of the interests of the several parties connected with the provinces, it appears, that, while the power of the Subahdar is really lessened, or, more truly speaking, brought back to its original state, and that of the Company is enlarged, by the transfer of the dewanee to the latter, that event has by no means made any violation, as some have alleged, upon the constitution, but is, on the contrary, a restoration of the genuine constitution of the Mogul empire.

The moderation of Lord Clive and General Carnac in their negotiation with Sujah-Dowlah had a great effect in persuading the Princes of India, that it was more for their interest to deserve the friendship of the Company than to be jealous of their power ; while by the re-establishment of that Prince, nearly in the full extent of his former power, the Company acquired a strong barrier against the fierce nations of freebooters situated beyond his dominions.

Since the contests with the Nabob of Bengal and the Great Mogul in the seventeenth century the Company's arms had never been opposed to those of any of the Princes of India till the year 1749, when the Presidency of Madras entered, rather unwarrantably, into the war of Tanjore, which was followed by that of Arcot. But the wars of Bengal, which, we hope, are now finally terminated, were of a very different nature. The Company were at first forced into hostilities by the tyranny and folly of Surajah-Dowlah, and were obliged to go on, step by step, their establishments in the country being continually in the utmost danger of total destruction, till a concurrence of unforeseen favourable events, not the result of any combined plan, nor to be expected by any human foresight, together with the extraordinary military talents of Clive, and the prudence of that great officer and the other members of the Select Committee, gave strength, and, it is hoped, also permanency, to the political government and commercial prosperity of the Company.

Before we take our leave of Bengal, Truth requires that it should be told, that during the unsettled period, which preceded the acquisition of the dewanee, many of the Company's servants, and also many British subjects
not

not in their service, were guilty of acts of oppression, violence, and extortion, which must have brought an odium upon the national character, if subsequent regulations, strictly enforced, had not convinced the natives, that such outrages were prohibited, and would in future be effectually prevented, by the Company.

The great importance of the military and political transactions in Bengal and the neighbouring countries having drawn out the narrative of them to a length scarcely consistent with the limits intended for this work, it becomes necessary to take only a rapid glance of the military events which affected the British possessions in the other parts of India.

In the course of the war between Great Britain and France, which was ended in February 1763, the French destroyed the Company's factory at Bender-Abassi, or Gombroon, in the Persian Gulf; they surprised Fort Marlburgh near Bencoolen in Sumatra, which they retained till the peace; and they also took Fort Saint David and some other places belonging to the Company. But, on the other hand, the French were deprived of all their inferior settlements upon the coast of India, and at last, in the year 1761, of Pondichery, the most important and flourishing of the whole, to which the property of the French Company and individuals had been carried from the other settlements, as to a place of security: and by the loss of that capital the commercial prosperity and power of the French East-India Company, which had for some time been exceedingly great and splendid, were nearly annihilated. The fortifications and houses of Pondichery were destroyed soon after it was taken, as a retaliation for a similar treatment of Fort Saint David upon the same coast, when it was taken by General Lally: and at the peace it was restored in that desolate condition to the French, as were also the other factories they possessed before the year 1749 in Coromandel, Malabar, Orissa, and Bengal, in which later province they were restricted by the treaty of peace concluded in Europe, as well as by agreement with the Subahdar, from making any fortifications or having any garrisons.

The Company, in consequence of their acquisitions in India, raised their dividend in the year 1766 from *six* to *ten* per cent. This great and sudden advance, and the prospect, held out by designing stock-jobbers, of still greater, induced a number of people to become proprietors of India stock (many of them by means of money borrowed at excessive interest) who had no other object in view than to make great fortunes by stock-jobbing: and thus there arose a set of proprietors, regardless of the permanent prosperity of the Company, and only anxious to obtain an immediate great increase of dividend, and consequently

consequently of the price of stock, that they might have an opportunity of retiring with the spoils of the unwary. Those persons gave out that the Company's funds could very well afford a dividend of *fourteen per cent* to the proprietors, and moreover pay the enormous sum of £900,000 annually to Government, as a participation of the territorial revenue of the newly acquired provinces: and many of them even talked of *fifty per cent*, as the probable amount of the future dividends. By such artifices they actually raised the price of stock to 263, and, in the true spirit of the South-Sea projectors, comforted their purchasers with confident assurances that it would soon be worth 900 or 1000.

The Directors more cautiously desired to appropriate the new revenue to the payment of debts, and more especially of the debts incurred in making the acquisition of the territorial revenue, as there could be no real advantage to the proprietors (unless they separated their temporary individual interest from the permanent general interest of the Company) in drawing large dividends, and at the same time paying large sums for interest, which would be in reality making the increase of the dividend with borrowed money. The arguments and clamours of the new proprietors, however, so far prevailed, that in the General Court, held on the 6th of May 1767, a proposal for making the next dividend at the rate of *twelve and a half per cent* for the year was carried by a majority of votes.

In the mean time the altercations of the proprietors, and the great degree of public attention, which their disputes had attracted, were producing consequences little expected by either party. The Ministry, who by a letter had advised the Company not to make any increase of their dividend, gave notice, that the condition of the Company, their charters, and their treaties and transactions with the Princes of India, would probably be subjected to the investigation of Parliament during the ensuing session: and a committee was actually appointed in November 1766 to make a most rigorous and general scrutiny into the state of their affairs.

The Ministry claimed the territorial revenues for the Crown, asserting that all conquests made by subjects, though at their own expense and risk, must belong to the Sovereign *. To this it was answered, that the Company had repeatedly

* That this was a new and unheard of claim, appears from the following fact. While the negotiations for peace were going forward in the year 1762, several requisitions were made by the French Ministers for the restoration of

territories taken from the French East-India Company, to which the British Ministry gave the following answer.

' Respecting those territorial acquisitions the English East-India Company have made in

Asia

repeatedly paid large sums to Government for the parliamentary renewal of their charters *, and had an undoubted right to every possible advantage they might obtain, consistent with the powers vested in them by those charters; that they held their possessions in India, not as an absolute property, but as a farm granted to them by the Great Mogul, and, according to the constitution of the Empire, subject to an annual rent; and that such a seizure as was proposed would render insecure the possession of every kind of property, which might be of sufficient magnitude to attract the attention of Ministers.

It would far exceed the limits proposed for this work to enter into the vast field of arguments brought forward on both sides of this important debate. I shall therefor only briefly notice the acts of this session of Parliament, which affected the interest of the Company.

The first was an act [7 *Geo. III*, c. 48] prohibiting the practice of splitting votes by collusive conveyances of the stock of any of the public Companies, and requiring the proprietors to be in possession of their stock at least six months before they should be entitled to vote, with an exception of those who held their stock by inheritance, by marriage, or by the custom of London. In order to prevent the mischiefs arising from sudden alterations of the dividends, the Companies were required to declare their dividends in General Courts, held at least five months after the declaration of a preceding dividend.

The very next act [c. 49] was more particularly directed to the regulation of the dividends of the East-India Company. It directed that the dividends should be made after the 24th of June 1767 by ballot, and by General Courts summoned expressly for that purpose; and that no dividend above *ten per cent* for the year should be made before the next session of Parliament †.

Thus was the Company's declaration of a dividend at twelve and a half per cent rescinded; and the visionary schemes of the speculators in India stock vanished in the air.

The Parliament soon after passed an act [c. 57], whereby the Company, in consideration of their territorial revenues being secured to them for the short space of two years, became bound to pay £400,000 in each of those two years into the Exchequer.

* Asia, every dispute relative thereto must be settled by that Company, the Crown of England having no right to interfere in what is allowed to be the legal and exclusive property of a body corporate, belonging to the English nation.

* An abstract of these sums will be given in one view in the Appendix, N^o II.

† This act was strenuously opposed in both Houses of Parliament; and a very strong protest was made against it by nineteen members of the House of Lords.

The long train of military and political transactions has made us almost lose sight of the Company's commerce, the original and principal object of their institution. At this time they had in their warehouses an unusually large stock of tea, the sales of which, owing to the great extent of the smuggling trade, encouraged by the high duty of ninety per cent upon the net cost, bore no proportion to the quantity of tea actually consumed in the country. In hopes to strike at the root of the evil by enabling the fair trader to supply the consumer upon terms somewhat nearer to those of the smuggler than he could possibly do before, the Company proposed, and the Parliament enacted, that the excise duty of one shilling a pound on tea should be abolished on all black and single teas for five years, and the whole custom duty should be drawn back on all teas exported to Ireland and America. But the Parliament, unwilling to risk any deficiency of the revenue, bound the Company to indemnify the revenue for whatever deficiency might fall upon the amount of the duty upon tea in the five ensuing years, compared with the five preceding ones. [*Act 7 Geo. III, c. 56*]. But, though the Company's sales of tea were nearly doubled, they found themselves in the longrun obliged to make good a deficiency of £483,049 to the revenue, besides £203,350 paid to the buyers on a similar account. It is probable that the smugglers, and perhaps also the foreign Companies who supplied them with tea, had resolved to make a temporary sacrifice of their own interests by countervailing reductions of their prices.

The Parliament seem to have now begun to think the affairs of the East-India Company as much the object of their deliberation as the provision for the national expenditure. The act for restricting the dividend having expired in consequence of the commencement of the session in November 1767, a bill was brought in for continuing the restriction. The repetition of such an act at a time when there was no reason for apprehending any intention of making extravagant dividends, was considered by the Company as a total subversion of the article in their charter, by which they were entitled to regulate their affairs according to their own judgement and their constitution, and even contradictory to the very act of the last session, which, while it restricted the dividend to ten per cent for a short limited time, regulated the conditions to be observed by the Company in declaring the amount of their subsequent dividends. They asserted that such a restriction, imposed merely because there was a possibility of the Company abusing their right to regulate their own affairs, must alarm, not only all public Companies, but also all the monied and commercial people in the kingdom. Notwithstanding a petition from the Company, setting forth these arguments,

arguments, which were also ably supported by many members of both Houses, an act was passed, and received the royal assent on the 23d of February 1768, for extending the prohibition of dividends above ten per cent to the 1st day of February 1769.

When the term of the compact with the Government, and the act, for restricting the dividends, were both near expiring, the Company thought it would be prudent to make a proposal to the Ministry for a new agreement, the terms of which, they hoped, might be more favourable than those of the preceding one. Their request was for an addition of five years to the duration of their privilege, which, they hoped, might be considered as a very moderate compensation for the large sum annually paid by them to the revenue, which was much more than the total amount of their own dividend. But their request was absolutely refused.

After a great deal of negotiation and correspondence between the Ministry and the Directors, an act was passed, and received the royal assent on the 20th of April 1769, whereby the Company became bound to make an annual payment of £400,000 into the Exchequer for the five ensuing years ; in consideration of which their territorial revenues in India were continued to them for the same term : and they were authorized to increase their dividends to *twelve and a half per cent*, by annual augmentations not exceeding one per cent in any one year. If instead of increasing, they should be obliged to lessen, their dividends, a proportional reduction should take place in their payments to the Exchequer, which should cease entirely, if they should be obliged to reduce the dividend so low as six per cent, and be enlarged again in proportion upon the dividends being enlarged. The Company were obliged, during the same term of five years, to export British merchandize to the annual amount of £380,837; exclusive of military and naval stores, that sum being the average amount of their exports of such goods in the five preceding years. It was also stipulated, that, if any money remains in the Company's treasury, after the payment of their simple contract debts bearing interest, and reducing their bonded debt to a par with the debt owing to them by the Public, the Company should lend such surplus money to the Public *at an interest of two per cent* *. They were also required to lay annual accounts of their exports and of the state of their debts before the Lords of the Treasury. [*Act 9 Geo. III, c. 24.*]

* By this bargain the Company must lend money at two per cent, while they themselves are compelled to remain indebted for a large sum, and pay the common interest for it.

Agreeable to the permission now obtained, the Company raised their dividend, payable at Midsummer and Christmass 1769, from *ten* to *eleven* per cent.

This year the Company appointed Messieurs Vansittart, Scrafton, and Ford, to go to India as supervisors, with full power to correct the abuses, and redress the grievances, which might have arisen from the errors or misconduct of their servants in that part of the world. After some difficulties, started in Parliament respecting the appointment of the supervisors, were got over, the gentlemen embarked for India. But the frigate, which carried them, never reached her port; and it has never been known how or where they were lost.

In the year 1770 the Parliament passed an act [*10 Geo. III, c. 47*] for increasing the penalty on British subjects trading to India under foreign commissions, and for rendering the Company's servants amenable to trial in the Court of King's Bench in England for offences committed in India. The prohibition of illicit trade has been reinforced by many subsequent acts which go as far as human wisdom can go to prevent the evil.

In September 1770 the Company, finding themselves warranted by the situation of their affairs, increased their dividend to *twelve per cent*. After it had stood a year at this rate, it was further raised to *twelve and a half per cent*, at which rate it stood one year and a half, being the greatest dividend ever received by the proprietors since the union of the two Companies, and also the greatest they were now at liberty to make in terms of the late act of Parliament. But in the year 1772 they were obliged to make a great and sudden reduction of the dividend to the low rate of *six per cent* by a combination of unfortunate circumstances.

Though the Company had lately acquired a great territorial revenue, the increasing expenses of their establishments in India, the mismanagement, profusion, and oppressive acts, of some of their servants, the great sums remitted from Bengal to China, and the heavy annual drain of £400,000 paid to the Government, had hitherto rendered the acquisition beneficial only to the individuals in their service in India, and at home only to the Government. Though their commerce had for many years been in a very flourishing condition, the debt owing to Government for the deficiency of the duty upon tea, the great amount of the bills drawn upon them from India, and their debts to the Bank and the Custom-house, had not only obliged them to make a great and sudden reduction of their dividend, and rendered it impossible to make the stipulated payment to Government, but also reduced them to the unfortunate necessity of applying to Parliament for pecuniary assistance.

When

When the business was brought into Parliament in the Spring of the year 1773, a number of other propositions were combined with it, which were thought to bear very hard upon the Company, and produced very warm debates in both Houses. But, notwithstanding all the arguments adduced by the friends of the Company, and those who thought the proposed measures calculated to violate the rights, and invade the property, of every corporate body in the kingdom as well as the East-India Company, notwithstanding two petitions presented by the Company; one from the proprietors of stock above £500 and under £1,000; and one from the Lord Mayor, Aldermen, and Commons, of London; as also two protests made by those Peers who were most earnest in their opposition to the bills, the Minister's propositions were carried by passing two acts, which received the Royal assent on the 21st of June and the 1st of July.

By the act [13 Geo. III, c. 63] for regulating the affairs of the East-India Company, as well in India as in Europe—The Directors, hitherto chosen annually, are henceforth to continue four years in office, six new ones being elected every year—No person returned from India is eligible to the office of Director till two years after his return.—No proprietor of less than *one thousand pounds* of the Company's stock, held for at least twelve months, is henceforth permitted to vote*.—The government of Bengal, Bahar, and Orissa is vested in a Governor-general with a salary of £25,000 a-year, and four Counselors with salaries of £10,000 a-year each; and Warren Hastings Esquire is appointed the first Governor-general.—The Presidencies of Madras, Bombay, and Bencoolen, are rendered subordinate to that of Bengal.—A Supreme Court of judicature is established at Calcutta, consisting of a Chief Justice with £8,000 a-year, and three other Judges with £6,000 a-year each, all appointed by the Crown.—The salaries of the Governor-general, the Counselors, and the Judges, are charged upon the territorial revenue.—No person in the King's or the Company's service is permitted to accept any presents; but lawyers, medical men, and clergymen, may receive their customary fees.—The Governor-general, Counselors, and Judges, are prohibited from having any concern whatsoever in trade.—No person residing in the Company's settlements is allowed to take more than *twelve per cent* for a year's interest of money.

* By this regulation 1246 British proprietors of East-India stock were deprived of their privilege of voting, which was thereby restricted to 487 proprietors possessing £1,000

or more. The number of voters has since become much larger, many proprietors under £1,000 having sold out, and few now chusing to purchase less than £1,000.

By the other act [13 *Geo. III, c. 64*] the Parliament advanced the sum of £1,400,000 in Exchequer bills to the Company, at an interest of four per cent, and agreed to forego the claim of £400,000 a-year from the territorial revenue till the debt should be discharged.—The Company were restricted from making any dividends above *six per cent*, till the debt should be discharged, after which they are allowed to divide *seven per cent* till their bond debt is reduced to £1,500,000.—They are required to present a state of their accounts every half year to the Lords of the Treasury ; and they are restricted from accepting bills from India to the amount of more than £300,000 in a year.—They are required to export the quantity of British merchandize directed in the act of 9 *Geo. III, c. 24*.

The Company having again a very heavy stock of tea upon hand, an act of Parliament [13 *Geo. III, c. 44*] was passed (10th May 1773), licencing them to export tea to the British colonies in America, and allowing the whole custom duty to be drawn back on tea so exported, notwithstanding the law obliging them to make all their sales in this kingdom ; provided that there should be at least ten millions of pounds left in their warehouses for home consumption. The purpose of this act was to get the Company to export a large quantity of tea to America, where, owing to the ferment and disaffection then prevailing in that country, it could not fail of proving the most obnoxious species of merchandize that could be imported, being the one article on which the Parliament had retained a duty as a mark of supremacy, when the duties payable in America on other articles were repealed. That duty was therefor considered by the colonists as a badge of slavery, and most strenuously opposed by resolutions against the consumption of tea, almost universally entered into throughout the whole country. Though the acquisition of a large sum of money, then very much wanted by the Company, was held out by the projectors of the scheme, in order to sweeten it, many of the principal proprietors strongly disapproved of exportation on the Company's own account, as a measure contrary, not only to their constant practice, but also to the fundamental principle of their original establishment, which was expressly for the purpose of trading to the East Indies only ; and they earnestly recommended a steady perseverance in the regular and safe mode of conducting their sales in preference to precarious adventure. These cautious members were, however, outvoted ; and vessels were chartered for carrying tea, on the Company's account, to Boston, New York, Philadelphia, and Charlestown*.

When

* Every one, who knows any thing of the nature of the American trade, as it was then conducted, must know that, if the tea had been landed and sold, it would have been next to impossible

When the ships destined for Boston arrived in that port, the people of the town would not permit the tea to be landed; and neither the Governor, the officers of the customs, nor the merchant to whom the tea was consigned, would agree to the proposal made by the commanders of the ships to carry back their inauspicious cargoes to London. When the ships had lain some time in a state of suspense, they were boarded one night (18th December 1773) by a party of men disguised like Mohawk Indians, who very expeditiously unloaded them by throwing the whole of the tea into the sea, after which they went on shore without doing any injury to the vessels or seamen. At New York a small quantity of tea was landed under the guns of a ship of war, but immediately locked up, so as not to be sold. At Philadelphia the pilots were prohibited from bringing any tea ships up the river; and at Charlestown the tea was disposed of in the same manner as at Boston. Such was the event of the Company's unfortunate consignment of tea to America, for which they never received one farthing.

The Company's loss by their ill-fated adventure to America was by no means compensated by their sales of tea at home. The increase of duties to above cent per cent upon the cost, which operated as a high premium to the smugglers, reduced the sales in the year 1773 and the four following years to the annual average number of 5,559,007 pounds, instead of 8,075,794 pounds, the average of the five preceding years. Moreover, by the existing law, the Company were obliged to dispose of all their teas within three years at farthest after their importation. But that being rendered impossible by the failure of the demand, they were indulged with an act of Parliament [14 Geo. III, c. 34] prolonging the time to four years for bohea tea, and five years for singlo. In case of the Company allowing the quantity to fall at any time too low for supplying the consumption of the country, the Lords of the Treasury are empowered to licence others to import tea from any part of Europe.

The Company had established a factory in the year 1767 at Balambangan, a small island adjacent to the great island of Borneo, which they had previously purchased from the King of Sooloo, it being a convenient station for carrying

impossible to procure a remittance for the value in cash or bills of exchange. The greatest part of the returns must have been in produce, and the Company's sales might have been diversified by an assortment of furs and peltry, salt fish, train oil, spermaceti candles, lumber, flour, flax seed, tobacco, tar, pitch,

turpentine, and rice. They would have been an United Company of merchants trading to America, and would have been bitterly complained of by the merchants established in the American trade for encroaching upon their province.

on an extensive trade with Hindoostan, the Oriental islands, China, and perhaps Japan. It is not easy to conceive what pretence for interfering with the affairs of this settlement could be found by the Spanish Governor of Manila, who, however, alleging orders from his Sovereign, took upon him to threaten to expell the Company's servants : and, soon after, the factory was plundered by the natives of Sooloo, who were supposed to have been instigated by the Spaniards and Dutch. The Company's resident and other servants, after that disaster, retired, with what effects they were able to save, to Laboan.

Upon the continent of Hindoostan the Company acquired the province of Benares in the year 1775 by a treaty with Azuf-ul-Dowlah, the new Nabob of Oude. In the following year they obtained a confirmation of the property of Salsette, a fertile island adjacent to Bombay, which their troops had taken from the Mahrattas in the year 1773.

In the year 1777, the debt owing to Government being completely paid, the Company raised their dividend to *seven per cent* : and next year they raised it to *eight*.

As soon as the British colonies in America began to make preparations for hostilities against the mother country, the French showed such an inclination to favour them, as made it evident that they would soon be openly engaged in the war : and in February 1778 they put the finishing hand to a long-depending treaty with the United States of America, whereby they in fact commenced hostilities against Great Britain. As this event had been foreseen, the East-India Company had sent directions to all their Presidencies to be prepared for acting vigorously as soon as they should have notice of the commencement of hostilities. It so happened, that the notice was conveyed to India so very speedily, that in the month of July the French Company were deprived of all their settlements in Bengal and Coromandel, except Pondichery, which, after a gallant defence, also submitted to the British arms on the 16th of October. Many French ships were also taken during this short, but very active, campaign, the events of which totally extinguished the commerce and power of the French East-India Company.

Indigo, an article with which India supplied the rest of the world in the remotest ages of which we have any information, constituted a considerable part of the Company's imports during the whole of the first century of their existence : but they afterwards gave up the importation of it, in order to avoid a competition with the British colonists in the West Indies and the southern provinces of North America. About the year 1747 most of the planters in the West Indies, and particularly in Jamaica, gave up the cultivation of indigo, in
consequence

consequence of a high duty imposed upon it; and what has been imported from the British West Indies since that time has been mostly furnished by clandestine importation from the Spanish and French colonies. But it was chiefly by importation from foreign countries in Europe that the British manufacturers were now supplied with that important dye-stuff; for the planters of Carolina and Georgia were never able to bring their indigo to a quality equal to that of Guatimala or Saint Domingo.

After the Company became proprietors of a great extent of country in India, and when the continental Americans had declared that they were no longer British subjects, and the West-India British subjects had abandoned the cultivation of indigo, the Company, acting upon principles similar to those upon which they had formerly declined the importation of that article, thought it incumbent upon them to promote the cultivation of it in their Indian territories, for the purposes of encouraging the industry of their own vassals, and insuring a regular supply of an article so essentially necessary to the most important of the British manufactures, independent of foreigners. With this view, about the year 1779, they entered into a contract with an enterprising individual in Calcutta, at such prices as induced him to engage in the cultivation of it; and his example was soon followed by others.

The Company continued to cherish this revived branch of trade, at an expense to themselves above the proceeds of it, which in the course of a few years amounted to eighty thousand pounds; a sacrifice to the prosperity of Indian cultivation and British commerce and manufactures.

When the cultivation appeared to be fairly established, the Company resigned the trade to the gentlemen employed in their civil service and the free merchants residing in India under their protection, as a good means of accommodating them with a legal conveyance of their fortunes to this country, and affording to the cultivators a sufficient demand for their produce. But the event did not answer their expectations; the planters got themselves involved in distress; and the Company thought it necessary and proper again to support them, which they did by advancing money to them on the security of their produce, to the extent of near a million sterling. By that relief they were enabled to go on successfully; and it will be well if their success does not tempt too many adventurers to engage in that branch of industry, and consequently to produce more indigo than all the world can find consumpt for*.

* The great extension of the indigo trade by the exertions of private cultivators has been lately adduced as a proof of the superior

energy of individual industry, but without acknowledging the fostering hand of the Company which supported that industry.

In some years lately the quantity of indigo imported from India has amounted at the Company's sales to above a million sterling, besides which large quantities have been exported in the country trade, and also by the American, Arabian, and other foreign vessels ; so that the extension of this branch of trade beyond its former demand, when it was limited to the consumption of the Oriental countries, has been a very great, and apparently a permanent, source of opulence to the people of India *.

The Company having discharged the debt owing to the Public, and also reduced their bond debt to £1,500,000, the Public again became entitled, by the terms of the act 13 Geo. III, c. 64, to the stipulated participation of the territorial revenue. But, as so large a defalcation of the Company's revenue would necessarily have the same effect, that it had before, of plunging them into pecuniary embarrassments, the Parliament resolved to leave it entire to them till the 5th day of April 1780, without any other restraint than that they should not raise their dividend above *eight per cent* before that day. [*Act 19 Geo. III, c. 61.*]

What the Parliament did not demand, the Company voluntarily gave. In the year 1779 they built, rigged, and armed, three capital ships of war of seventy-four guns each, which they presented to Government, and they also gave a large sum of money in bounties to *six thousand seamen* for the service of the navy. Nor was it only by their own donations that the Company augmented the national force ; their patriotic example was followed by several other societies, who also contributed ships and men upon scales proportioned to their abilities.

Notwithstanding this noble exertion for his Majesty's service, made at a time when the Company had but just recovered from a state of embarrassment, the Minister gave them notice, that the debt of £4,200,000, owing to them by Government, should be paid off on the 5th of April 1783, agreeable to the covenanted power of redemption, and their exclusive privilege should be abolished ; unless they would agree to pay *a million of money* into the Exchequer, submit to a restriction of their dividends in all time coming to *eight per cent*, and become bound to pay *three fourths of the surplus profits* over that dividend into the Exchequer. The Minister's menace, however, was not followed up. After the Company had absolutely refused to accede to the Minister's demand, which he had reduced to £600,000, for the renewal of their charter, the business was at last settled, and ratified by an act of Parlia-

* See an account of the sales of indigo imported from India in the Appendix, N^o III.

ment [21 *Geo. III, c. 65*], which received the royal assent on the 18th of July 1781. The Company thereby became bound to pay into the Exchequer the sum of £400,000, *in full of all claims* of the Public upon them to the 1st of March 1781; and their exclusive commercial privileges and territorial possessions were continued to them till the 1st day of March 1791, with three years' notice after that day, when, upon payment of the debt of £4,200,000 owing by Government, their exclusive privilege may be terminated, notwithstanding which they have a right to continue a corporation, and to carry on their trade with their joint stock.—After payment of all charges, and of a dividend of *eight per cent*, three fourths of the surplus profits shall be paid into the Exchequer, and the remaining fourth may be employed in making an addition to the dividend, not exceeding *one per cent* in any one year, nor ever to rise above *twelve and a half per cent* upon the whole.—The act contains many other regulations, most of which are repetitions of what were contained in former acts.

In Bengal Mr Hastings, the Governor-general, and the Supreme Council, were embroiled with the Supreme Court, whose proceedings, instead of being tempered with every possible degree of mildness on the introduction of new laws among a people remarkable for an invincible attachment to the manners and prejudices of their ancestors, were rigorous in the extreme, and tended to drive them to desperation, and to ruin the British interest in India. In order to put a stop to the miseries flowing from the contentions of the jarring authorities, and to protect the natives from the distresses flowing from the execution of laws unsuitable and inapplicable to their manners, religion, and way of life, another act [21 *Geo. III, c. 70*] was passed, at the same time with the one above-mentioned, for restricting the jurisdiction of the Supreme Court within such bounds as, it was hoped, might prevent a repetition of the anarchy and oppression, which had lately raised such alarming disturbances in the country. It was particularly provided, that the Mohamedans and Hindoos should have the benefit of their own laws, which they knew and would willingly obey, and that the authorities of fathers and masters of families should be preserved inviolate, according to their usages and the rules of their casts.

The Company having found, upon an examination into the state of their affairs, that, over and above the £400,000 payable to Government, they possessed a surplus of £288,025 17 10, resolved, though they were by law authorized to distribute that sum among themselves in dividends, rather to employ it in their trade: but, instead of adding it to their stock, as was done in the

year 1676, they directed that a distinct account of it, under the title of *The Company's separate fund*, should be kept in their books.

The Company's ally, the Nabob of Arcot, and also their own possessions and commerce in the south parts of Hindoostan, had long been harassed by a war with Hyder Ally, an enterprising adventurer, who, by the exertion of military talents much superior to the usual standard of Mohamedan commanders in India, and by judiciously abstaining from risking his undisciplined army in pitched battles against European troops, had raised himself from a low station to the sovereignty of Mysore and other extensive provinces. This redoubtable enemy had formerly reduced the Presidency of Madras and the Nabob to the humiliating necessity of accepting a peace dictated by himself. But a continuance of peace with the Company was not consistent with the ambitious politics of Hyder. Having secured a powerful assistance from the Mahrattas and some inferior Indian Princes, and attracted to his service a pretty considerable body of French officers and soldiers, he renewed the war, defeated a British army, took the city of Arcot, ravaged the country, and threw the Company's servants and allies into the greatest distress, which continued till Admiral Sir Edward Hughes and General Sir Eyre Coote arrived in India. These able commanders turned the tide of victory in favour of the Company and the Nabob of Arcot, whereby the harassed country obtained some respite from the miseries of war.

In October 1781 the Berar Mahrattas were detached from their alliance with Hyder Ally by the judicious management of M^r Hastings: and in May 1782 the Poona Mahrattas entered into a friendly and liberal treaty with the Company. Thus was the formidable confederacy of Princes, which threatened the extinction of the British name in India, dissolved, and Hyder left with scarcely any assistance, except what he obtained from the French, whose fleet was repeatedly defeated by Sir Edward Hughes. The implacable enmity against the Company, which influenced all the actions and policy of Hyder, was not terminated, nor even suspended, by his death, which happened in the end of the year 1782, but was inherited, along with his dominions, by his son Tippoo Saib.

The state of the East-India Company was now almost as frequently, and as much, the subject of debates in Parliament as in their own Courts in Leadenhall street, and was declared by the highest authority to be an object of as much delicacy and importance as could exercise the wisdom and justice of Parliament.

ment *. In November 1783 Mr Fox, then one of the Secretaries of State, brought into Parliament a bill for vesting the affairs of the East-India Company in the hands of seven noblemen and gentlemen, as principal Directors †, assisted by nine others, who should be proprietors of East-India stock, holding not less than £2,000 each. The plan of the bill preserved the Company's commercial privilege, and left untouched the question of the territorial right : but it entirely divested their Directors, and also the General Courts of proprietors, of the administration of their territorial, and even of their commercial, affairs. It put into the hands of the new Directors the Company's books, papers, and documents ; their ships, merchandize, and money ; their house in Leadenhall street ; the whole management of their affairs ; the appointment of all their officers and servants ; the rights of peace and war ; and the entire disposal of the revenue. The new Directors were named in the bill ; they were not to be removeable, except by an address to his Majesty from either House of Parliament ; and their successors were to be named by the King. The assistant Directors, who were also named in the bill, were to be removeable at the pleasure of any five of the principal Directors ; and their successors were to be appointed by the Company. They were to be disqualified from sitting in Parliament. No person having mercantile connections with the Company ; no person charged with corruption, speculation, or oppression in India, and unacquitted ; no person whatever, returned from India, and not two years resident at home ; nor any person holding any profitable employment under the Company or in his Majesty's service, was to be admissible to either branch of the direction. The Directors were to give their votes openly, and to lay their accounts before the Court of proprietors, and also before the Treasury and the Parliament.

Mr Fox at the same time proposed another bill for preventing arbitrary and despotic proceedings in the administration of the territorial possessions. This bill defined the powers of the Governor-general, Presidents, and Council, and required their ordinances to be made public in the Persian and Hindoo languages in every proper place. The Company's Governments were to be prohibited from making war, unless for self-defence ; from acquiring or exchanging territory ; making treaties of partition ; hiring troops to the native Princes ; hiring any property to the civil servants of the Company, or establishing any monopoly : and every illegal present was to be recoverable by any person for

* See his Majesty's answer to the address of the House of Commons on the 24th of December 1783.

† In Mr Fox's second bill the principal Directors are called Commissioners.

his own sole benefit. The bill particularly guarded the property and the rights of the Zemeendars, and other little dependent Princes from usurious and oppressive claims of every kind. It proposed a mode of terminating the disputes between the Nabob of Arcot and the Rajah of Tanjore, and of adjusting the claims of British subjects upon these Princes : and it declared, that no person in the service of the Company, no person under prosecution for offences alleged to have been committed while he was in the service of the Company, and no agent of any protected Prince, should have a seat in Parliament.

Among the opponents to M^r Fox's bills the most conspicuous was M^r William Pitt, not yet a Minister. He acknowledged the necessity of a reform in the affairs of India ; but he deprecated such an attack upon the Company's charter as violated the faith of Parliament, solemnly plighted to the Company, whose rights were thereby fixed upon as firm a security as that ' by which our ' gracious Sovereign holds the sceptre of these kingdoms.' He asked, if the bills should be carried, what security the Bank of England, the national creditors, or the public corporations, could have for their rights or properties, which might as properly be confiscated as those of the East-India Company would be by this bill, which was, moreover, ' calculated to increase the influence of the Crown, and that to a degree, beyond all precedent, enormous and alarming.'

By some of the members the Company were reprobated as merciless tyrants in India and bankrupts at home, who, though unable to pay the sums owing for customs, and seeking to borrow money for answering the bills drawn by their squandering servants in India, were proposing to make so ' enormous ' a dividend as *eight per cent*. By others it was represented that great losses had been brought upon the Company, and their resources had been absorbed by the war in which the kingdom had been unfortunately engaged ; that, notwithstanding a temporary embarrassment, the effect of those losses, their funds were much more than equal to all the demands upon them, and therefor fully justified the proposed dividend, which no one could grudge to the proprietors, who would consider, that they did not get near so much emolument from the trade, conducted by them upon their own capital, and at their own risk, as the Public got, without taking any trouble, advancing any capital, or incurring any risk. The advocates for the Company supported their arguments and assertions by the accounts before the House, which showed, that the sums paid to the revenue for customs and excise upon the Company's trade during the last fifteen years amounted to £19,889,673, besides the large sums paid as participation of the territorial revenue, and the magnificent present of three ships

ships of the line and six thousand seamen for the navy ; whereas the Company had suffered losses in consequence of the late war to the extent of £3,856,666, over and above the cost of the tea sent to America and the freight of the vessels employed to carry it ; and during all those fifteen years the total of their envied dividends amounted to the comparatively-insignificant sum of £3,738,644 *.

While the bill was in its progress in the House of Commons, a petition from the proprietors of East-India stock, and another from the Directors, were presented, both complaining of it, as subversive of their charter, and as depriving them of their property, without charging them with any delinquency, which might subject them to such forfeiture ; and praying that the presumed delinquency might be fairly charged against them, that they might have an opportunity of answering it. The Lord Mayor and Council of London also petitioned against the bill. But, notwithstanding these petitions, it was, after a very warm contest, carried in the House of Commons. But on the 17th of December, it was rejected in the House of Lords : and the business was got rid of by a change of the Ministry †.

On the 14th of January 1784 Mr Pitt, now appointed First Lord of the Treasury, brought in a bill for the better government of India, which, he proposed, should be effected by a Board of Commissioners, to be appointed from among the Ministers and other members of the Privy Council. But it was argued against it, that it tended to no reformation at home, and no correction of abuses abroad. Finally this bill, notwithstanding the power and influence of the author of it, was rejected in the House of Commons by a majority of eight. The rejection was followed by a dissolution of Parliament on the 25th of March.

Soon after the commencement of the ensuing session Mr Pitt brought in his second, or improved, India bill. After much altercation in both Houses of Parliament, an act [24 *Geo. III*, *sess.* 2, *c.* 25] was passed on the 13th of August 1784, ‘ for the better regulation and management of the affairs of the ‘ East-India Company, and of the British possessions in India, and for estab- ‘ lishing a Court of judicature for the more speedy and effectual trial of per- ‘ sons accused of offences committed in the East-Indies.’—It established a Board

* I have here brought together extracts from various debates about this time.

† The notice taken of Mr Fox’s bills will not be thought superfluous, when it is considered, that they attracted more of the public

attention than, perhaps, any bills ever did, which were not finally passed, besides their occasioning a change of the Ministry, and a dissolution of Parliament.

Commissioners for superintending and controuling the civil and military government and revenues of the territorial possessions, and also the affairs of the East-India Company.—The Governor-general and Council of Calcutta retain the controuling power over the other Presidencies.—Persons going out to India in the civil or military service of the Company must not be under fifteen, nor above twenty-two years of age, with an exception for the military service in favour of officers, who have served at least one year in the army or militia.—Presents are prohibited as in former acts.—All persons returned from India are required to give an inventory of their property into the Court of Exchequer *.—The remaining sections of the act direct the method of proceeding against British subjects, who may be accused of extortion or other misdemeanors committed in India.

On the 11th of March 1784 the fierce war, by which the Company's Presidency of Madras and the dominions of Tippoo Saib had long been distressed, was terminated, chiefly by the secession of Tippoo's French auxiliaries, when they were informed of the peace in Europe. Each party restored the forts and territories taken from the other ; Tippoo gave up all pretensions to the Carnatic ; and he engaged to allow the Company all the commercial privileges in his dominions, which had been promised by his father.

The high duty upon tea, which in the year 1722 amounted to 200 per cent upon the sale price, and afterwards fluctuated between 64 and 128 per cent, held out an encouragement to illicit importation, which excited the most daring enterprise of the smugglers, and was not neglected by the foreign East-India Companies, who supplied them with tea, and also with wrought silks, nankeens, and other articles of less importance, which would not have been purchased at all for the purpose of smuggling, unless for the sake of running them in upon the British shores along with the tea, which was the main staple and principal support of the pernicious trade of smuggling.

In the nine years preceding 1780 there were exported from China to Europe

in 107 ships belonging to the continent of Europe	. 118,783,811
in 79 ships of the British East-India Company	. 50,759,451

pounds of tea, being on an average 13,198,201 pounds imported annually by the continental Companies, and 5,639,939 by the British Company.

From the best information attainable it appears, that the real consumption was very near exactly the reverse of these quantities, that of the British

* This inquisitorial section was repealed by an act 26 *Geo. III.* c. 57.

dominions being	13,338,140
and that of the continent of Europe at most *	5,500,000,

Besides the above quantity of real tea, it was known that several millions of pounds of the leaves of sloe, ash, and other trees, were sold for tea, whereby the probable total amount of real and factitious tea consumed in the British dominions was raised to about eighteen millions of pounds, whereof it appeared that the enormous quantity of near thirteen millions must have consisted of smuggled and counterfeit tea. By the long continuance of this state of the supply of tea, the foreign Companies, and the maritime power of the European continental states, were strengthened ; our own Company, our own seamen, our own navy, and our own national revenue, were defrauded of the advantages, which naturally belong to them ; and the baneful trades of smuggling and manufacturing false tea were raised and supported upon the ruin of fair trade, and the debilitation of the naval strength and resources of the country.

It was evident that the only efficacious remedy for the evil must be to lay the axe to the root of it by reducing the duty, so as to render the smuggler's trade not worth following, which would also annihilate, or at least very much diminish, the trade of making false tea. Accordingly, on the 20th of August 1784, the Parliament, after obtaining all the necessary information, and concerting the proper measures with the Company, passed an act [24 *Geo. III*, *sess.* 2, *c.* 38], repealing all the existing duties on tea, and substituting instead of them a duty of *twelve and a half per cent* on the price for which it sells at the Company's sales, and also allowing tea to be delivered from the Company's warehouses for exportation without paying any duty whatever. At the same time the Parliament, in order to make up for the deficiency of revenue, which might be occasioned by the reduction, laid an additional duty on windows, as a *commutation*, which was calculated to produce £600,000 annually.

The Company, wisely considering that the removal of the temptation would be the gentlest, and also the most effectual, means of securing the beneficial effects of the act, immediately sent orders to purchase the tea, which the various European Companies had on hand ; and in the years 1784, 1785, and 1786, they imported 17,312,484 pounds of their tea, thus relieving them

* Raynal, having stated the quantity of tea exported from Canton in the year 1766 at 17,400,000 pounds, estimates the consumption of the continent of Europe, from the best at-

tainable documents, to be only 5,400,000 pounds, and thence infers that the remaining 12,000,000 must be consumed in Great Britain. [*Hist. phil. et polit. V. ii, p. 139.*]

of what must have been a dead weight upon their trade, and most probably have urged them to attempt every method, however desperate, of getting it smuggled into this country.

This judicious act, and the judicious conduct of the Company, were attended with the most complete success in the suppression of smuggling, and promoting the prosperity of the Company, and of all the fair traders in tea throughout the kingdom, and also in effecting a considerable increase of the revenue arising from tea and sugar, besides the new commutation duty imposed upon the windows. The quantity bought at the Company's sales, which in the year 1783 was only 5,857,883 pounds, rose in the year 1785 to 16,307,433. The quantity of tea imported into the continent of Europe from China, which in the year 1784 was 19,072,300 pounds, continued decreasing every year, and in 1791 was only 2,291,560 pounds; whereas the quantity imported by our Company, which in the year 1783 was only 4,138,295 pounds, continued increasing every year, and ever since the year 1786 has averaged considerably above 20,000,000 of pounds. The new duty of twelve and a half per cent, which in the year ending 1st September 1786 produced only £285,460, rose gradually, as smuggling wore out and the consumption extended, to £352,800, the amount of it in the year ending 1st September 1794*.

Such were the advantages flowing from the commutation act in Europe: and in China its operation was not less beneficial to the interest of the Company and the manufacturers of this country. The Chinese merchants were made to understand, that the purchases of tea would be very much enlarged, if they would encourage the consumption of British merchandize, which would be a source of additional profit to themselves. Thereupon the demand for British goods, and particularly for woollens, soon increased in China, the northern parts of which require warm clothing.

The Company, desirous of affording every assistance to this favourite branch of English manufacture, directed their supercargoes in China to make no advance on the prices, though they were not equal to the cost and charges. By persevering in this patriotic self-denial the exports of the under-mentioned articles to China were increased as follows.

* After the 16th of March 1795 the duty was increased, and has continued increasing. For the quantities of tea sold by the Company, with the duties paid to the revenue, and also

for a comparative view of the quantities imported from China by foreign and British ships, see the Appendix, N^o IV and N^o V.

Years.	Tin, tuns.	Woolen goods.		
		Cloth, pieces.	Long ells, pieces.	Camlets, * pieces.
1785 . .	none . .	4,534 . .	60,000 . .	332
1791 . .	1,200 . .	6,456 . .	150,000 . .	2,340

and the demand for woolen goods in Canton has continued to increase, so that their value for some time past has been above a million sterling annually †.

In proportion to the increase of the exports of merchandize was the decrease in the exports of bullion, which in

1785 was	£724,317,
and in 1791	422,098.

The Chinese merchants at Canton receive the goods upon the faith of the invoice and the Company's mark, without opening the packages for examination ; and there is reason to believe that they are frequently sent unopened as far as Pekin, a distance of 1,200 miles, and the property of them passed through the hands of various successive purchasers, each of whom, in his turn, receives them without examination, in a firm reliance on the good faith of the Company ‡.

The Company's trade being enlarged in consequence of the commutation act and the return of peace §, it became necessary to employ greater sums in carrying it on. An act [26 *Geo. III, c. 62*] was therefor passed on the 5th of July 1786, whereby they were enabled to sell, or mortgage, the whole, or any part, of the annuity of £36,226 16 0, remaining after the sale made in

* It must give pleasure to every friend of British industry to observe the great increase of exportation in this branch of the woolen manufacture. In all the years preceding 1750 there were only eighty pieces of camlet exported by the Company ; and afterwards there were only two years in which the export exceeded a thousand pieces, and some years in which not a single piece was exported, till 1789, when, the manufacturers having discovered an improved method of finishing their camlets, which the Dutch had hitherto exclusively possessed, the Company exported 1,060 pieces. In 1801 their exports of camlets were increased to 21,760 pieces, for which the manufacturers received £145,278 ; and the quantity has since continued increasing.

† For the value of woolen goods exported to China, see the Appendix, N° VI.

‡ The French have sometimes procured, or imitated, English packages, and sold their cloths at Canton as English : but, when the fraud was detected, they could sell no more without submitting every piece to a rigorous examination. Some lead, cased over with tin, was also sold for tin : but the detection of that fraud was noway detrimental to the sale of the tin bearing the mark of the English Company, in whose integrity the merchants had an established confidence.

§ See the account of the Company's trade in the Appendix N° VII.

virtue of the act 23 Geo. II, c. 1, at such price as they could obtain * ; and by the same act they were also authorized to add £800,000 to their capital stock. The additional stock is directed to be subscribed for at the rate of one hundred and sixty per cent, or such other rate as the Directors may think proper, such of the present proprietors as may chuse to subscribe having a preference of subscription, so as not to exceed one half of their present property in the stock ; a dividend to be paid on the new stock at the same rate as on the old stock, and the new subscribers to be incorporated with the Company. The new stock was subscribed at 155 per cent, which consequently produced in money £1,240,000 ; and the Company's capital joint stock was thus raised to four millions.

M^r Hastings, who had been nominated Governor-general by the act, which raised the Government of Bengal to a supremacy over all the British possessions in India, and had been repeatedly re-appointed to that highest office in the Company's service, arrived in England on the 16th of June 1785, in consequence of orders of recall. On the 26th of the same month M^r Burke, who in the preceding session of Parliament had brought heavy accusations against him before the House of Commons, gave formal notice of his intention of bringing forward a prosecution against him for crimes alleged to have been committed many years before. After long and warm debates in successive sessions, the prosecution was sanctioned by the House ; and on the 14th of May 1787 the articles of impeachment were sent to the House of Lords. The vast extent of the charges, and the lengthened orations of the accusers, which were esteemed the finest productions of eloquence ever delivered before a Court of judicature in any age or country, protracted the trial to a duration utterly unprecedented ; and it was not till the 23th of April 1795 (exactly eight years after the House of Commons ordered the prosecution) that the Lord Chancellor delivered the decision of the Peers in the following words : ‘ M^r Hastings, ‘ the House of Lords, after a very minute investigation, have acquitted you ‘ of all the charges of high crimes and misdemeanours preferred against you ‘ by the Commons, and every article thereof ; and you and your bail are discharged upon your paying your fees.’

Such was the event of this most important and most extraordinary trial, conducted by some of the most distinguished members of the House of Commons, in the name of the people of Great Britain, against a man, who had presided over the British empire in India near thirteen years, with extraordinary

* For the preceding sale see above, p. 176.

talents, in a situation rendered peculiarly arduous by the recentness of the British superiority in the country, and with the general approbation of those who had the best opportunity of judging of the rectitude of his administration. It was surely a dreadful hardship upon a man, who is declared innocent, to be kept in the torture of suspense through such a number of years. But it may be productive of a good effect in showing to all Europe and Asia, that no person, accused of public delinquency, can be screened by his rank or station, however exalted they may be, from the animadversion of British Justice.

The Company, in consideration of his long, faithful, and important, services, discharged the expenses of his defence, amounting to upwards of £70,000, and settled upon him an annual income of £5,000.

The British Government having made warlike preparations in consequence of some commotions upon the Continent, proposed, in the beginning of the year 1788, to augment the military force in the East Indies by sending out four of his Majesty's regiments, to be transported in the Company's ships, and paid out of their revenue: and it was moreover intended to render this augmentation of the army in India permanent. The Company, wishing to prevent a repetition of a misunderstanding, which had already happened between the King's army and their own, and also unwilling to incur so great an expense, represented to the Ministry, that there was no necessity for sending out any additional military force; and that, by the act 21 Geo. III, c. 65, they were not liable to pay for any troops, unless they were sent at their own request. This last objection was immediately repelled by a new act of Parliament [28 Geo. III, c. 8], whereby the Commissioners for the affairs of India are empowered to send out troops at their own discretion, not exceeding in number 8,045 men, who must be carried to India, and paid by the Company, out of their territorial revenue.

In the year 1789 the Company revived the exportation of tin to China, which had been hitherto, rather unaccountably, resigned to the Dutch, who made a profitable trade of carrying it from a settlement they had on the east side of Sumatra. The revival of this trade was very advantageous to the proprietors of the tin mines in the west part of England, and made a saving in the export of silver. In China the superior quality of the Cornish tin, together with the superior demand of the Company for tea, soon gave it a decided preference.

The Company's trade still continuing to increase, and their territorial revenues being generally almost exhausted by the very heavy establishment they were obliged to support, it was found necessary to make a further augmentation

ation of their capital, for which purpose an act of Parliament [29 *Geo. III*, c. 65] was passed, empowering them to add one million to their capital joint stock, by subscriptions to be confined to the present proprietors, unless the sums subscribed by them should fall short of the proposed additional capital, in which case other subscribers might be admitted. The new stock, being subscribed at 174 per cent, produced in money £1,740,000; and the Company's capital joint stock was now five millions.

The Company immediately resolved to increase their exports, and from this year they have been constantly greater than ever they were before. They permitted the commanders and officers of their ships to fill up all spare room in the outward-bound ships with goods for their own account without paying any freight; and they also permitted their own servants, and the free merchants residing by their permission in India, to load goods homeward at an easy freight in ships not entirely filled up by their own goods and the privileged goods of their commanders, officers, and seamen. In the following year (1791) the privileged tunnage of the Company's commanders and officers was again enlarged.

The Rajah of Travancore having got himself involved in hostilities with Tippoo Saib, the Sultan of Mysore, the Presidency of Madras took up the quarrel of their ally, the Rajah: and treaties being made with the Nizam of the Deccan and the Poona Mahrattas for their co-operation, and the Bombay Presidency being called upon for the assistance of their forces, all those allies, under the immediate direction of Earl Cornwallis, the Governor-general of India, marched in various directions against Tippoo, who resisted their attacks with great judgement and valour. But, after defending himself almost two years, he was compelled to sign a treaty on the 17th day of March 1792; whereby he ceded about one half of his dominions, to be divided among the Company*, the Nizam, and the Mahrattas, became bound to pay all the expenses of the war, and delivered two of his sons into the hands of Lord Cornwallis as hostages for the faithful performance of his stipulations. By this treaty the Company acquired an annual revenue of £240,000, and received £1,600,000 in money.

In the year 1792 some of the merchants of Liverpool, disregarding or forgetting the disappointment of the proposal made by their predecessors in the year 1730 for abolishing the East-India joint-stock Company, and throwing

* At the head of the list of districts allotted to the Company is Calicut, at the port of which the first European vessels that ever sailed to India arrived in the year 1498.

the trade into the hands of a regulated Company and private traders to be licenced by them, took the opportunity of the approach of the expiration of the Company's charter to endeavour to persuade the merchants of the chief ports and manufacturing towns of England and Scotland to concur in an application to Parliament for throwing the East-India trade entirely open, in such manner as to their wisdom should appear consistent with justice and true policy. They did not neglect to repeat the philippics, which had been so often repeated for almost two centuries, against monopoly; they observed that the trade was carried on by the Portuguese, and lately by the Americans, without joint stocks or exclusive charters; they promised the manufacturers a prodigious exportation of their fabrics, when their ships should penetrate into every port of the Oriental Ocean; and they were confident, that neither capital, nor enterprise, nor sufficient nautical skill, would be wanting for conducting and greatly extending the trade. The approach of war, which was expected in consequence of the recent revolution in France, probably turned the attention of the projectors to other objects.

Ever since the jealous policy of the Government of China restricted the resort of foreigners to the one port of Canton, the European traders and navigators have been exposed to the oppression and insults of the officers of Government, without any opportunity of obtaining redress, as it was impossible to convey any representation of their grievances to the Emperor *. The Company's sale of tea, an article procured only in China, having become vastly more extensive since the commutation act was passed, it was thought necessary to send a formal embassy to the Emperor, in order to convince him, that the agents of the East-India Company at Canton enjoyed the countenance and protection of their Sovereign, though their duty in the service of their employers required their absence from their native country †. Lord Macartney, who was chosen for this embassy, was attended by a numerous retinue, and carried a

* 'The Imperial officers, under whose immediate inspection they [the foreign merchants] were placed, were in little danger of reprehension for any ill treatment of their persons, or impositions upon their trade. Their complaints were considered as frivolous or ill-founded; and attributed to a restless and unreasonable disposition. Effectual measures were likewise taken to avoid a repetition of their remonstrances by punishing such of the natives as were suspected of having assisted

' in translating the papers, which contained ' them, into the language of the country.' [*Staunton's Account of an embassy to China*, V. i, p. 15, 8^{vo} ed.]

† The Chinese, with all their boasted wisdom and policy, look upon commerce as a mean employment; and they more particularly despise, and even punish with death, those, who leave their native country for the sake of gain. See above, p. 65—*Purchas's Pilgrimes*, L. iii, p. 368—*Staunton's Embassy*, V. i, p. 299.

splendid

splendid present for the Emperor, consisting of astronomical and mathematical instruments, and the most elegant and superb productions of art, calculated to impress the Chinese with a high idea of the state of the arts and sciences in this country. A ship of sixty-four guns and a tender were furnished by Government; and the Company added one of the largest of the ships in their service, for the accommodation of the Ambassador and his suite. In August 1793 they arrived at the mouth of the River Pei-ho, the nearest port to Pekin, the capital of China, and traveled to Zhe-hol, about 150 miles beyond Pekin, where the Emperor then resided. He received the Ambassador very politely, and seemed much pleased to see such attention paid to him, and such rare presents sent to him, by the Sovereign of a country so far from his own; and, in return, he gave the Ambassador a letter and present for his Britannic Majesty. All that the Chinese consider as belonging to an embassy being now accomplished, the Ambassador was precluded from entering upon any business whatever by a notification that preparations were made for conveying him and his suite to Canton; and this intimation was made in a manner which showed that compliance would be unavoidable. The conveyance was, however, sufficiently splendid, two great officers of the Court being appointed to accompany them in a navigation upon the great canal, which lasted about seventy days, during which Lord Macartney so far gained their friendship, that their letters to the Emperor procured some favourable alterations in the conduct of the officers of Government at Canton towards the British commerce in that port, and also the removal of a Governor, or Viceroy, who had distinguished himself by hostility to the gentlemen in the Company's service. Whatever other objects Lord Macartney might have wished to accomplish were completely frustrated by the peremptory conduct of the Emperor. In September 1794 he arrived in England.

In June 1793 an act [33 *Geo. III*, c. 47] was passed, whereby the management of the dividends upon the debt of £4,200,000, owing by the Public to the Company, was transferred from the Company to the Bank, the capital being ingrafted in the fund called the Three-per-cent reduced annuities; and this ingraftment is declared to be a redemption of the debt, except that whatever part of the capital the Company may retain as their property in their corporate capacity, though under the management of the Bank, must, in the event of their privilege being terminated, be repaid to them at par.

By the same act the Company were authorized to add another million to their capital by subscriptions, in which the present proprietors are entitled to a preference, if they chuse it, as far as fifty per cent upon their present shares in
the

the capital, and if the subscription is not filled up by them, others may be admitted to subscribe. The Company are directed by the act to employ a part of the money to be received upon the new subscriptions in reducing their bonds to the sum of £1,500,000. This additional stock was subscribed at 200 per cent, and consequently produced in money £2,000,000; and the Company's capital joint stock was now brought up to *six millions*, the present amount of it.

In a few days after this act was passed, it was succeeded by another one [33 *Geo. III, c. 52*] for renewing the Company's privilege. Their exclusive privilege of trade, and their territorial possessions, are continued to them till the 1st day of March 1814, on which day the privilege may be terminated on paying whatever sum the Public may then owe to the Company, provided three years' notice shall previously have been given.—His Majesty may appoint Commissioners for the affairs of India, who are to direct the administration of the revenues, and the civil and military government, for which purpose the Company's books and dispatches must be submitted to their inspection.—The expense of this Board and their officers, limited to £16,000 a-year, is to be defrayed by the Company.—The Government of India is vested in a Governor and three Counselors in each of the Presidencies of Bengal, Madras, and Bombay, the two later Presidencies being subordinate to the former, the Governor of which is Governor-general of the whole British territories in India.—The Governors and Counselors are to be appointed by the Directors, and no person is eligible to the Council till he has resided twelve years in India in the Company's service.—The Directors may also appoint persons provisionally to succeed to any of the above offices on the death or removal of the persons possessing them; and, in case of no such provisional appointment being made, the office shall devolve upon the person next in rank at the time of the vacancy, except the Commander of the forces, who shall not succeed to the government, unless he be expressly appointed to the provisional succession.—His Majesty, by his sign manual, countersigned by the President of the Board of Commissioners, may remove any of the Company's officers or servants in India.—
 ' And forasmuch as to pursue schemes of conquest and extension of dominion
 ' in India are measures repugnant to the wish, the honour, and policy, of this
 ' nation,' the Governor-general is not authorized to make war without the express order of the Court of Directors, or of the Secret Committee and the Board of Commissioners, unless the Company or their allies are attacked, or preparations are made by an enemy for attacking them.—In order to give energy and dispatch to the measures of Government, the Governors are empowered to act without the concurrence, or against the opinion, of their
 F. F. Council,

Council, but in that case taking the whole responsibility upon themselves.—The Directors must not send out more writers or cadets than are necessary to supply the vacancies.—No person can be sent out to India, whose age is under fifteen, or above twenty-two, years; but commissioned officers, who have been one year in actual service in his Majesty's army, the militia, or fencibles, not older than twenty-five years, may go out as cadets.—No British subject in his Majesty's or the Company's service in India is permitted to receive any present whatever, either for himself or in the name of the Company: but lawyers, medical men, and chaplains, may lawfully receive their professional fees, as formerly.

In case of the Company's exclusive privilege being terminated, they may still carry on a free trade in their corporate capacity, in common with other British subjects.—In case of any territory being obtained from the Chinese Government, and a settlement being established upon it by the Company, all his Majesty's subjects may lawfully export British and Irish manufactures to it in the Company's ships at a moderate rate of freight, the goods being consigned to the Company's supercargoes, or free merchants licenced by the Company, who shall pay the proceeds into the Company's treasury, and receive bills payable in Great Britain.—Ships employed in the Southern whale fishery and in the trade to the north-west coast of America, may navigate the seas within the limits of the Company's privilege, under certain limitations, on giving sufficient security that they shall not infringe the Company's commercial privileges. Any of his Majesty's subjects, residing in any part of his European dominions, may export to Bengal, Malabar, Coromandel, or Sumatra, in the Company's ships, any article of the produce or manufacture of the British European dominions, except military stores, ammunition, masts, spars, cordage, anchors, pitch, tar, and copper: and in like manner the Company's civil servants in India, and the free merchants living in India under the Company's protection, may ship on their own account and risk in the Company's ships all kinds of India goods, except calicoes, dimities, muslins, and other piece goods, which they must not ship unless particularly licenced by the Company.—If the Company shall not have purchased fifteen hundred tons of British copper before the 31st day of August in each year, the proprietors of British copper may export, on their own account and risk, as much as the Company's export shall fall short of the quantity above-mentioned, in the Company's ships, on giving notice to their secretary.—If the Company, and the persons licenced by them, do not import a sufficient quantity of calicoes, dimities, muslins, &c. for the consumption of Great Britain, as far as such
goods

goods are permitted to be used for home consumption, and also of the piece goods intended for exportation, the Board of Commissioners may authorize individuals to import all, or any of the sorts, of the goods above-mentioned, under such regulations as they shall think proper to prescribe, and agreeable to the law prohibiting the consumption of certain species of goods in this kingdom.—‘For insuring to private merchants and manufacturers the certain and ample means of exporting their merchandize to the East Indies, and importing the returns for the same, and the other goods, wares and merchandize, allowed by this act, at reasonable rates of freight,’ the Company must every year appropriate at least *three thousand tons* of shipping for carrying goods, which may be lawfully exported or imported by individuals by virtue of this act, which quantity of shipping may be augmented or diminished, as the Commissioners shall think proper.—The owners of the goods shipped shall pay to the Company in time of peace five pounds outward, and fifteen pounds homeward, for every tun occupied by them in the Company’s ships; and in time of war the freight shall be raised, with the approbation of the Commissioners, in such proportion as the Company themselves pay for their freight.—The servants of the Company, except those engaged in juridical or military duties, and those prohibited by their covenants, may act as agents for the sale of goods lawfully shipped by individuals, and for providing the goods allowed to be imported by them in return: and the private merchants licenced by the Company have also permission to act as agents.—British subjects in India must not reside in any place more than ten miles distant from one of the principal settlements, unless specially licenced by the Company, or by the Governor of a principal settlement.—The duty of five per cent, formerly paid to the Company on the goods imported in private trade, and the charge of two per cent for landing and selling, are both abrogated; and, instead of them, the Company are to charge three per cent on the sale amount of all goods brought from India (but not from China) as full compensation for the expenses of hoyage, landing, cartage, storage, sorting, lotting, and selling, which, with the freight, constitute the whole charge, payable to the Company, upon India goods so imported. The goods imported from China in private trade are still liable to the former charges of five and two per cent; and the Company’s engagements with their commanders, officers, and other servants, remain unaffected by this act.—In order to encourage individuals to engage in the trade of importing raw materials for manufactures from India, and to secure to manufacturers the means of furnishing themselves therewith, the Company are required to make speedy and frequent sales of raw silk, sugar, cotton, cotton yarn, wool, skins, dye-stuffs,

drugs, and other articles of raw material, whether imported in private trade or on the Company's own account, in moderate lots, agreeable to regulations framed by the Directors, and approved by the Commissioners.—All goods imported in private trade shall be secured in the Company's warehouses, and sold by public auction, under the order of the Court of Directors, for account of the proprietors.

The net produce of the territorial revenues shall be applied in the following order of preference, and to no other purpose.—First, in supporting a sufficient military and marine force in India, maintaining the forts, and supplying military and naval stores.—Secondly, in paying the interest of the debt owing by the Company in India.—Thirdly, in defraying the expenses of the civil and commercial establishments of the several settlements.—Fourthly, a sum, not under a crore of current rupees, shall be issued every year to the Commercial Boards, to be applied to the purchase of the Company's investments in India and China.—Fifthly, in case of any part of the India debt being discharged, or transferred to Great Britain, the sum allotted for the commercial investments may be proportionally enlarged.—Lastly, whatever surplus there may be shall be applied to the reduction of the Company's debt in India, or to such other purposes, as the Court of Directors, with the approbation of the Commissioners, shall direct.—The Governments in India may draw bills upon the Company for the purpose of transferring the India debt to Great Britain, to the extent of £500,000 in a year, payable, either to the creditors, or to other persons advancing money for the purpose of paying off the India debt.

The Company's profits in Europe, after paying interest and charges, shall be applied as follows, and in the following order of preference.—First, in paying a dividend of *ten per cent* upon the capital stock to the proprietors, the first payment to be made at Midsummer 1793.—Secondly, in setting apart £500,000 annually for the payment of bills drawn for the purpose of transferring the India debt to Great Britain, till the debt in India shall be reduced to £2,000,000.—Thirdly, in paying into the Exchequer a sum not exceeding £500,000 annually, to be applied as Parliament shall direct, except as in this act is otherways specially provided.—Fourthly, till the India debt shall be reduced to £2,000,000, the ultimate surplus may be applied to the further reduction of it, or in payment of debts at home, excepting India bonds to the amount of £1,500,000; or it may be invested in goods to be sent to India or China, the proceeds of which shall be applied to the reduction of the debt in India.—Lastly, when the India debt shall be reduced to £2,000,000, and the bond debt to £1,500,000, one sixth part of the surplus, after the above-mentioned

mentioned payments are made, shall be applied to augment the dividends on the Company's capital stock ; and the other five sixths shall be paid into the Bank, in the name of the Commissioners for the reduction of the national debt, the account of which shall be kept under the title of *The Guarantee fund of the United Company of merchants of England trading to India*, till the sums so paid, with the growing interest upon them, shall amount to *twelve millions* ; after which the surplus shall be paid into the Exchequer, as the property of the Public in full right. But, if the India debt shall afterwards rise above £2,000,000, or the bond debt rise above £1,500,000, the above-mentioned applications for the reduction of them shall again take place, and continue so long as those debts exceed the prescribed limits. — When the Guarantee fund shall have accumulated to £12,000,000, the dividends growing upon it shall be applied to make up the Company's dividend to ten per cent, if at any time their funds appropriated to that purpose shall prove insufficient. — In case of the Company's exclusive privilege being terminated, and their funds, after discharging every claim upon them, not being sufficient to allow £200 to the proprietors for every £100 of their capital stock, the Guarantee fund shall be liable to make good whatever deficiency there may be ; and whatever surplus there shall be, over making good such deficiency, shall belong to the Public. — If the payments to the Exchequer and the Bank shall at any time be found prejudicial to the affairs of the Company, they may be suspended by order of the Lords of the Treasury. — If those payments shall be rendered impracticable by the extraordinary expenses incurred by war, or preparations for war, the arrears of them shall not be permitted to retard the accumulation of the Guarantee fund, but shall be paid to the Public on the determination of the Company's exclusive privilege, if the funds shall be sufficient, after paying off all debts, to allow the proprietors £200 for every £100 of their capital stock ; failing which, the claim of the Public upon the Company for arrears shall drop *. — This act shall not affect the right of the Public, or of the Company, to the territorial possessions beyond the term now granted. — After the Company shall have paid £500,000 to the Public in January 1794, their separate fund may be applied in making an addition of *one half per cent* to the annual dividend of *ten per cent*. — For the purpose of protecting the funds of the Company during the term of their exclusive privilege from being burthened with improper charges,

* The orators, who have displayed their eloquence in exclaiming against the Company for letting the participation run into *arrears*, as they chuse to state it, have shut their eyes

against this express and necessary stipulation, by which it is evident that the participation cannot be in arrear, because it has not become due.

they

they are restricted from granting any new salary or pension, or any augmentation of salary or pension, exceeding £200 annually, without the approbation of the Commissioners.—The Directors are required to lay a state of their accounts of every kind before both Houses of Parliament in April every year.—There being many unsettled claims between the Public and the Company, all such, which were prior to the 24th day of December 1792, are cancelled on both sides; and after that period the expenses of his Majesty's troops are at the charge of the Company.

All his Majesty's subjects residing in Great Britain, the islands of Guernsey, Jersey, Alderney, Sark, Mann, America, or the West Indies, are strictly prohibited from trading to, or being in, India, unless licenced by the Company: and the ships and cargoes of such illicit traders, and also their persons, shall be seized by any of the Company's Governors or agents, and the illicit traders shall be sent to England to answer for their offences. Persons discharged from the Company's service or protection, and remaining in India after the proper time allowed for their departure, are to be treated as illicit traders.—All merchandize and bullion shipped for India, except the property of the Company and of persons authorized by this act, and all goods taken out of any ship on her homeward-bound passage before her arrival in England, shall be forfeited, together with double the value; and the commander or officer, knowingly permitting such unlawful loading or unloading, for every such offence shall forfeit £1,000, besides all the wages owing to him, and be rendered incapable of serving the Company ever after.—British subjects, as above described, trading to India under the authority of any foreign Prince or State, shall forfeit £500 for every such offence.—The Governors, and the officers of the revenue and of justice, in India are prohibited from having any concern in trade, except on the Company's account.—The Judges of the Supreme Court shall not have any concern whatever in trade. No British subject shall be concerned in the inland trade in salt, betel-nut, tobacco, or rice, except on account of the Company, or by their licence.—No person shall send East-India goods to Europe by the way of Suez in Egypt, or by any other channel of conveyance than what is directed by this act.—But the servants of the Company, who are not prohibited from trading on their own account, and the free merchants, may sell goods in India to the subjects of any foreign state, and may act as agents for sale and returns to any foreign Company or foreign merchants.

Such were the chief of the multifarious provisions of the Charter act.

As

As soon as the commencement of the war was known in India, the French were deprived of their settlements at Chandernagore, Pondichery, Karical, Yanam, and Mahé, and their factory at Surat, whereby their India trade was totally annihilated.

In the year 1794 the Company made an offer to his Majesty of raising and clothing three régiments of one thousand men each, for his service during the war. But on his Majesty signifying, that a bounty for seamen would be more acceptable, they showed their ready zeal for his service by an immediate compliance.

The Company, observing that the raw silks, imported from the continent of Europe and the Levant, were preferred by the manufacturers, on account of the superior method of winding, to those imported from Bengal, and desirous of promoting the cultivation of silk in their Indian territories, and also of affording to the British manufacturer a supply of silk, at least in competition with, if not independent of, foreigners, got the Italian method of winding introduced in India; and the consequence was, that the demand for Bengal silk was very much enlarged, to the great advantage of the Indian cultivator and British manufacturer, though for many years to the pecuniary disadvantage of the Company, who in the ten years from 1776 to 1785 inclusive lost £884,744 upon their sales of silk, which during that time amounted only to £3,449,757.

If the Company had considered themselves merely as a commercial association, they ought in prudence to have abandoned a branch of trade so injurious to their interest. But, as the guardians of the prosperity of millions of people in India, and trustees for conducting a great and important branch of the commerce of the British empire, they felt it their duty to persevere in their system of disregarding present sacrifices of property, when laying the foundation of future prosperity.

It was an unfortunate circumstance for the silk trade, that about the same time that the natives of Bengal had increased their plantations of mulberries, the food of the silk-worm, and acquired the Italian method, so as to be able to carry on the business of producing silk with spirit and effect, if the demand should be encouraging, the vast increase in the cotton manufacture, which was produced by the most important abridgement of labour and improvement in spinning, effected by Arkwright's machinery, almost entirely banished silk from the dress of the British ladies, whereby about 18,000 people were deprived of their accustomed employment in and near Spitalfields in the year 1793, and the throw mills in this country were in a great measure rendered useless.

useless. The Company thereupon, considering that the thrown (or organzine) silk, made in this country, was but a very small part of the whole quantity used by the manufacturers, resolved, in order to let them have a supply, independent of foreign or hostile nations, and also for the sake of creating employment for the throw mills and for a number of the discarded work-people, to set them to work upon organzining such parcels of their Bengal silk, as should be found best adapted for that operation.

It was not long before the few individuals, concerned in the importation of organzine silk, found means to raise a clamour against, what they called, ‘The attempt of the East-India Company to become manufacturers in Great Britain.’ But the principal manufacturers of silk goods, who were undoubtedly *the best judges*, after having made a sufficient trial, addressed a letter to the Directors on the 6th of February 1796, requesting them to persevere in throwing their silk, which would lower the price of the raw material, and protect them against the alarming fluctuations of price, which are very frequent, and very distressing, in the silk trade*. The Company, thus supported in their opinion of the beneficial effects, to be derived from their plan of organzining a part of their silk, sent orders to their agents in Bengal to pay the utmost attention to the quality of the raw silk, and also to enlarge the annual investments of it.

The duty of *twelve and a half per cent* upon the sale price of teas, as settled by Parliament in the year 1784, was increased to *twenty per cent* in the year 1795: and the precedent of increasing it has been repeatedly followed, till the duty has now (1809) risen to *ninety-six per cent*; and this augmentation of duty, with the advance consequently laid on by the retailers, has doubled the price since the year 1794 upon the consumers.

It may here be observed, once for all, that, notwithstanding the great rise in the price, the demand for tea in this country has continued to increase gradually to about twenty millions of pounds, which may be reckoned the full quantity required for the consumption of England, Scotland, and Wales†. And thus the British fair trader in tea, the British manufacturer and miner who supply the Company with goods for the augmented demand of the Chinese

* The truly-patriotic Society for the encouragement of arts and sciences, surely *impartial judges*, presented a gold medal to Mr Wissett, the Company’s principal clerk of the warehouses, as a mark of their approbation of his laudable exertions in promoting the ac-

complishment of that important augmentation of the prosperity of India and Great Britain.

† Ireland, Mann, and the islands in the English Channel, are classed with foreign countries in the books of the custom-house

market, and the commercial and maritime interests of the British empire in general, still continue to enjoy the important benefits wrought in their favour by the commutation act, even after it has been virtually repealed by the successive augmentations of the duty *. The increase of demand, though directly contrary to the usual maxim, that the increase of price makes a diminution of consumption, is, however, easily accounted for. Those, who had not been accustomed to drink tea before the commutation act, were now habituated to it; the duty was gradually augmented, and the articles, which might be used instead of it, were raised nearly in the same proportion, and were not to be obtained in sufficient quantities at any price; therefor all classes of the people found themselves obliged to continue the use of tea, and it is now universally used in every village, and in every cottage, in every part of the kingdom.

In March 1797 an act [37 *Geo. III, c. 31*] was passed, the preamble of which sets forth, that the East-India Company ‘require a permanent advance of a ‘considerable sum of money beyond what the said Company can raise under ‘the powers now vested in them by law, and it is expedient that such money ‘should be raised by an increase of their capital stock;’ and therefor they are authorized to add two millions to it by subscriptions, to be filled up by the present proprietors, if they chuse it, and, failing them, by others, as in the acts for the preceding augmentations.

The Company do not appear to have felt that need for a supply of money, which the framers of the act supposed: Their affairs have never since been so unprosperous, nor have they been so destitute of other resources, as to make them think it expedient to have recourse to a method of raising money, which would entail upon them the burthen of an additional dividend, equal to one third of the present income of all the proprietors, without producing a proportionate additional revenue.

* Perhaps some sneering critic will here exclaim, Is the national prosperity to depend upon a fair or unfair trade in tea, a luxury unknown to our ancestors, and which we can very well do without? But a well-informed political economist knows, that the commercial prosperity of the nation (and commerce is the main spring of the prosperity of this nation) depends upon the consumption of goods raised, manufactured, or imported, by fair and lawful industry; that the vast ocean of British commerce is kept full, not so much by the demand of foreign nations, as by the innumer-

able small streamlets imperceptibly flowing from the consumption of the people at home; and that every poor woman, who buys a quarter of an ounce of tea and a quarter of a pound of sugar, fairly imported, contributes her mite to the commercial prosperity of Great Britain and the West Indies, and to the revenue and power of the British empire: but if she buys smuggled tea, she contributes to the support of foreigners and smugglers, and undermines the commerce, the revenue, and the power, of Great Britain.

For some years bypast the vessels belonging to the United States of America had been indulged with a friendly reception in the Company's ports in India; and in Canton they had enjoyed the advantage of having their business transacted under the influence of European agency. In the year 1794 the admission of their vessels into the ports of the British territories in India was formally confirmed to them in a commercial treaty, whereby the subjects of the United States were allowed to trade in all articles not expressly prohibited, on paying only the same duties which are paid by British vessels, and paying such port charges as are paid in the ports of the United States by British vessels. It was expressly stipulated that they should not interfere in the coasting or carrying trade in India,—that their vessels should proceed from India to their own ports in the territory of the United States, and deliver their cargoes of Indian merchandize there, and in no other part of the world,—and that in time of war they should not export from India any military or naval stores, or rice. All these important concessions, which were to be in force for twelve years after the ratification of the treaty, were ratified on the 4th of July 1797 by an act [37 *Geo. III, c. 97*] of the British Parliament, notwithstanding the infraction of the Navigation act, contained in the privileges granted to the Americans.

It being thought reasonable to extend the same indulgence to the subjects of other friendly powers, another act [*c. 117*] was passed in a few days after, permitting them to import into, and export from, the British possessions in India all kinds of goods, not prohibited by the Directors of the Company, nor by law or existing treaties; and the Directors are required to draw up a set of regulations for conducting the trade.

Ever since the admission to the ports of British India has been conceded to the Americans, they have been almost the only commercial nation in the world exempted from the calamity of war: and they have not neglected to reap the golden harvest resigned to them by the contending Powers of the continent of Europe. In virtue of their neutrality they conduct their business with a degree of dispatch, safety, and lightness of expense, in which no other nation can rival them in the present state of the world; and they have thereby been enabled to carry on a very extensive trade between India and their own country, and also, though contrary to the terms of the treaty, with most of the nations of Europe.

The great extension of the legitimate trade in tea, in consequence of the reduction of the duty, and the consequent extension of the sale of British goods in China, having evidently demonstrated the beneficial effect of moderate duties,

ties, the Directors, on the 3d of May 1797, presented to the Lords of the Treasury a proposal for lowering the duties upon all the goods imported by them, in order to prevent the British trade from suffering by the preference, which the very light duties laid upon similar goods in foreign ports must infallibly give to the trade of the foreign Companies, and thereby to make London the market of the world for Indian merchandize. In order to attain these important advantages, and to exempt the buyers at their sales from the heavy burthen of advancing large sums in duties, of which only a very small part comes into the Treasury, they proposed, that instead of the heavy duties now paid upon importation, which are nearly all drawn back upon exportation *, but with the hardship upon the merchants of locking up a great part of their capital without any benefit to the State, and putting them to great trouble and expense in obtaining the drawback, there should be paid upon all goods from India and China, except tea, a positive duty of two per cent upon the sale price, of which no part should be drawn back upon exportation, and that the goods should be allowed to remain in the warehouse a reasonable time without paying any further duty, unless taken out for home consumption. By such a plan, which would allow the merchants to trade to the full extent of their capital, they expected that the sales of India goods to foreigners, as well for account of the private merchants, licenced to import by the act of 1793, as for their own account, would be greatly augmented, and that, by the great resort of foreign merchants, thereby attracted to London, a large addition would also be made to the sales of British manufactures of every kind, and the pernicious practice of smuggling drawback goods into the country would be entirely abolished.

Thirty-one mercantile houses, accustomed to buy at the Company's sales, presented a memorial to the Lords of the Treasury, expressing their entire approbation of the measure proposed by the Directors. Another memorial was presented by the merchants acting as agents for persons residing in India, to the number of twenty-two houses †, praying that raw materials might be wholly exempted from duty, and, in all other respects, greatly approving of the measure, which, they were confident, would bring to London three fourths of the India trade, which goes to Europe and America.

Notwithstanding these representations it was not thought expedient to depart so far as was proposed from the mode, which had hitherto been followed for

* The Company added to their memorial an estimate of the *net duty* retained on the goods exported, excepting tea, which, on the aver-

age of the three preceding years, amounted only to £86,360.

† Some of the houses signed both memorials. securing

securing the duty, which should remain to the revenue, by making the buyers pay down a large duty in the first instance. By the act 39 Geo.III, c. 59, passed on the 13th of June 1799, India goods, intended for exportation, may be warehoused on paying duties, which vary from 2 to $7\frac{1}{2}$ per cent on the different species, calculated upon the sale prices, together with the convoy duties, and may be taken out for exportation, without any other trouble than giving security against relanding them. Upon the goods intended for home consumption the act imposed a new set of duties, considerably heavier than those established by the Consolidation act in the year 1787, with an allowance of drawback upon some of the articles in case of exportation.

Tippoo, the Sultan of Mysore, who, as I have already observed, inherited his father's implacable resentment against the Company, hoping that the war between Great Britain and France would afford him a favourable opportunity of being revenged for his former losses and disasters, entered into engagements with Zemaun Shah, King of Cabul, in the beginning of the year 1796, and in 1797 he sent Ambassadors to the Governor of the Isle of France. His object in both negotiations was to obtain a powerful co-operation from different quarters, in a war to be undertaken for the purpose of exterminating the English Company, and dividing their possessions between himself and his allies; or, in case of peace taking place in Europe, to get the French Government to insist for the restitution of the territory and treasure he was deprived of in the preceding war by the Company and their allies. His Ambassadors obtained a very small military force from the Isle of France: but the reception of French officers and soldiers by Tippoo was deemed equivalent to a declaration of war, especially when with that conduct was combined the anxious attention he had bestowed upon the augmentation and improvement of his military force ever since the termination of the preceding war.

Lord Mornington, the Governor-general, as soon as he was apprised of Tippoo's proceedings, strengthened the alliances with the Nizam of the Deccan and the Mahrattas, and ordered the Coromandel and Bombay armies to assemble in force. After some correspondence with Tippoo, who endeavoured to gain time, hostilities were commenced: Tippoo's armies were repeatedly defeated; and at last Seringapatam, his capital, was taken, on the 4th of May 1799, by an assault, in which the Sultan was slain. His dominions were divided among the Company, the Nizam, the Mahrattas, and an infant representative of the old Rajahs of Mysore, to whom the original territory of his ancestors was allotted. A liberal provision was also made for the children, relations, and dependents, of the fallen Prince.

It was hoped that the downfall of this formidable and inveterate enemy would insure the safety and prosperity of the Company's possessions in the south part of India. But, as they are thereby brought in contact with the Mahrattas, a nation, whose valour, or rather ferocity, forms a striking contrast to the mild and submissive temper of the other Hindoos, whose chief employment is warfare, whose warfare is plunder and desolation, and whom the Great Moguls, when in the zenith of their power, were never able to subdue, the advantage obtained by the change of neighbours may perhaps be doubtful.

In the mean time the French Government, who were as desirous as Tippoo could be of destroying the British commerce and prosperity in India, which they conceived to be the chief source of the revenue, and support of the power, of the British empire, sent a strong army under the command of General Bonaparte, to conquer Egypt, where it was proposed to establish a colony, sufficient to keep the country in subjection to France. It was believed by some, that their intention was, after Egypt should be reduced, to detach a sufficient force from it by the Red Sea to assist Tippoo in making an entire conquest of all the British possessions in India, and then to restore the East-India trade to its antient channel of conveyance by the Red Sea, and again make Alexandria the commercial capital of the world. But, from the obvious impropriety and heavy expense of substituting two navigations by sea, a long portage over an inhospitable desert of sand, and an inland navigation, with the charges and damages of repeatedly shifting the goods, to the simple operation of one voyage round the Cape of Good Hope, we may venture to say, that this part of the scheme was never seriously expected, or even proposed, to be executed*.

On the 1st of July 1798 the French landed at Alexandria, took possession of that city, proceeded up the country, defeated the Beys of the Mameluks in several battles, and established themselves in Cairo: and thus, in the short space of twenty-six days, the subjugation of Egypt appeared to be completed. But on the 1st day of August the French ships of war, which had convoyed the army to Egypt, and were then lying in supposed security near Alexandria, were attacked by Admiral Nelson, who destroyed or took almost every one of them. This important victory was followed by the defeat of the French army

* The rulers of France surely could not be ignorant that the Venetians, who carried on the East-India trade through Egypt with nearly as much advantage as the French merchants could have, were immediately supplanted by the uncommercial and superstitious

Portuguese, as soon as they found the way to India by the Cape of Good Hope. To maintain such a trade in defiance of the naval power of Great Britain, they must possess a naval superiority.

by the gallant General Abercromby, who fell on the field of victory : and the invasion of India from Egypt was no longer apprehended. The victorious British Admiral was created a Peer, and pensions were assigned to him by the Parliaments of Great Britain and Ireland. The East-India Company also bestowed a splendid gift on the hero, whose decisive victory had relieved them from all apprehension for the safety of their territories.

The Parliament had thought it necessary in the year 1793 to oblige the Company to export a large quantity of copper every year. But the prodigious demand for it for the use of the navy during six years of war had now made such a waste of it, that it was difficult to find the quantity necessary for the navy and other usual purposes ; and therefor, in the beginning of the year 1799 the Parliament directed that the East-India Company should desist from exporting copper.

The expenses of the government of Bencoolen having increased very much, and the settlement having become of very little importance as a commercial establishment, since pepper, the only produce of the adjacent country, could be more advantageously supplied from Prince of Wales's Island * and Malabar, it was thought improper to keep up the establishment as a regular government ; and therefor, in August 1801, the Directors ordered that it should be reduced to a residency, under the management of a resident and four assistants, subject to the immediate direction of the government of Bengal. The gentlemen whom the new arrangement rendered supernumeraries, were transferred to Madras : and this arrangement was authorized and confirmed by an act of Parliament, 42 Geo. III, c. 29.

Before the Company became possessed of territory in India, the people residing there in their service were few, their sole employment being the administration of the Company's commercial affairs ; and the few moderate fortunes, acquired by the industry of many years, were remitted home in bills drawn upon the Company. Immediately after the acquisition of the territorial revenue, many new departments of office became necessary, and the number of the Company's servants was consequently very much augmented. At that time many of them became suddenly possessed of prodigious wealth ; and, the Company's bills not being sufficient for the remittance of the whole of it, a great deal of it was brought to Europe by foreign vessels. Hence originated a clandestine connection with the foreign Companies, which has been kept up ever since, the British residents in the Company's service, or persons carrying on business under their licence and protection, being, it is believed, very often

* The settlement of this island will be more particularly noticed afterwards. .

the freighters of the foreign ships in India *, though the cause, which produced the connection, has long ago ceased. Thus was the property, acquired in the Company's service, or under their indulgence, and by means of their establishments, converted into an engine for the destruction of their own trade.

It was the professed intention of the act of 1793 to remedy this abuse by opening a legitimate channel of conveyance for the property acquired by British subjects in India, so that the whole of the trade, truly founded upon British capital, might be brought to London, and also to open to the manufacturers of Great Britain an extended vent for their goods in India, where, it was alleged, much larger quantities of them might be consumed than are carried out by the Company. These purposes, it was conceived, might be accomplished by allowing individuals in India to send Indian commodities to London, and British manufacturers to send their fabrics to India, in the Company's ships, by which the manufacturers might also import the produce and manufactures of India in return. As a necessary part of this plan, it was enacted, that the Company's civil servants in India, and also the free merchants there, should be authorized to act as agents in this branch of trade. Thus was the Company's monopoly laid open by law, to a certain extent, in favour of the British residents in India, and the British manufacturers at home.

The manufacturers scarcely ever sought to avail themselves of their newly-acquired privilege of becoming East-India merchants. But the merchants residing in India, as soon as they understood that a legalized extension of their trade was in the contemplation of the Legislature, and without waiting to know the regulations of it, built a considerable number of ships, which they proposed to employ in the trade between India and England, though Lord Cornwallis, then Governor-general, and Sir John Shore, his successor, both informed them, that there could not be employment for their ships in the way they expected. In the year 1795, when seven of the largest of the Company's ships were taken into his Majesty's service, and the Company at the same time ordered large quantities of rice to be brought from India in order to afford relief to this country, then distressed by a scarcity of corn, twenty-seven of those India-built ships were taken into the Company's service, at the rate of £16 per tun for rice and heavy goods, and £20 for fine goods. All of these ships carried goods to London for account of the private merchants settled in India, and also carried British goods to India for them. The owners of the

* That the existence of this kind of carrying trade was well known in France, will appear in the History of the Commerce of the French with India.

India-built ships now thought that they had reason to believe them regularly established in the trade. But, as the emergency which called them into employment, no longer existed, it was impossible to allow them to supersede the ships, built and equipped in a superior manner expressly for the service of the Company, which they were under engagements to employ for a stipulated number of voyages.

The merchants, disappointed of getting their ships into the trade, made grievous complaints of the heavy freight and many hardships put upon them by the Company's regulations, such as—Not knowing the name of the vessel, by which their goods should be conveyed, in such time as might allow them to order insurance to be made in London: for, though there are seven insurance offices in Calcutta, and five in Bombay, where insurance can be made on any particular ship previous to her sailing, whereby the difference of premium between the risk on one particular ship, and on ship or ships generally, might be saved, they prefer making their insurances in London, partly because they can be effected at a lower rate than in India *, and partly, and apparently chiefly, that, in case of loss, the policy of insurance may be a fund to meet the bills, which they draw upon their agents in London as soon as their goods are sent into the Company's warehouses in order to be shipped: and in time of peace, when there is a regular over-land conveyance of letters between India and London, even that may generally be effected.—Another grievance was the high rate of the freight, which low-priced goods, such as sugar and cotton, could not afford: but this is an evil inseparable from a state of warfare, and must be borne by them as well as by all other British subjects, till the blessing of peace shall be restored to the world: and, if ships provided by the Company sail at higher freights than others of inferior appointment, the difference is made up, and upon fine goods much more than made up, by the greater safety of the property, on account of which the insurance is obtained at a lower rate †.—Another complaint is, that they are required to specify the quantity of freight they will need at an appointed time of the year, when it is sometimes uncertain what may be the bulk of the goods they will have to ship: but, without such a specification, it must evidently be impossible for the Company's servants, either in London or in India, to know what quantity of

* The merchants of Calcutta, in their memorial to the Governor-general, dated 20th November 1807, stated the rates of insurance on vessels bound for London to be from 10 to 16 per cent.

† For the rates of insurance in London on ships of various descriptions from Bengal see the Appendix, N° VIII.

shipping they should allot for the trade of the private merchants, which is very far from being uniform or regular.

The private merchants did not allege that any of the grievances they complained of were infractions of the act of 1793; nor could it be denied, that many deviations from the provisions of that act had been made in their favour. But they now changed their ground, and advanced new claims, which had not been thought of, or at least not brought forward, when that act was under the consideration of Parliament. They asserted that India produces a much greater abundance of commercial commodities than the Company are willing, or able, to import; and they desired to have a free permission to engage in that part of the trade, which is abandoned by the Company, in order to prevent it from going into the hands of foreigners, at the same time professing their willingness to conduct their business in due subordination to the authority, regulations, and controuling jurisdiction, of the Company. They also desired leave to employ their own India-built ships, and to have them as much under their own management, with respect to loading and the time of sailing, as the ships in other trades are under the management of their owners, that they might enjoy the profits to be made by the freight, the consequence of which would be that they would frequently ship improper goods (for example, sugar, a glut of which would ruin the West-India planters) for the purpose of filling up the ships, to the prejudice of the commercial, financial, and political, interests of this country. The policy of employing a large British capital for the purpose of extending the trade of India with the port of London, or, in the phrase then introduced, to bring home the *surplus produce* * of India, was also avowedly insisted upon; and the measure was earnestly and powerfully recommended.

In these claims for privileges, which had never been in the contemplation of the Legislature when framing the Charter act, the Company thought they could see nothing short of a demand for the establishment of a general trade in the hands of a community, who would constitute a kind of regulated Company, having the benefit of the commercial establishments, created by the ex-

* By the words *surplus produce*, ought to be understood produce remaining after the demands for the consumption of the producing country, and for exportation, are satisfied. But every one, acquainted with Indian affairs, knows that there exists no such surplus in India, and that whatever agricultural or manufactural

commodities are produced beyond the home demand, with the exception of rice in seasons of extraordinary plenty, are pushed forward by means of capital *invested* in the hands of the cultivator or manufacturer at the time of giving the order.

perience, the labour, and the expenditure, of two centuries, and enjoying every other advantage belonging to the exclusive privilege, without subjecting themselves to the expense of establishments, or to any of the obligations for the benefit of the British manufacturers and the revenue of the State, which are incumbent upon the Company. They also observed that the members of this new Company, as they may very properly be called, are no less desirous that the Company's privilege may operate in full force, to the exclusion of all others, than that it may be laid open to their own encroachments.

When Lord Mornington arrived in Bengal, as Governor-general, in May 1798, the merchants of Calcutta so far prevailed with him, that he licenced some of their ships to sail for London in October following, and also in the year 1800. On the 30th of September 1800* he addressed a letter to the Court of Directors, which by over-land conveyance reached them on the 2d of March 1801, wherein he strongly recommends the admission of India-built shipping into the trade, which, he thinks, by the cheapness of their freight, will enable the British traders to take a great part of the trade of conveying India goods to Europe out of the hands of foreigners, who, he believes, have obtained an undue share of it: and he also recommends the transmission of capital from Great Britain in order to make up sufficient funds for conveying the whole exportable commodities of India to the port of London.

M^r Dundas, the President of the Board of Controul, also addressed a letter to the Chairman of the Court of Directors, on the 21st of March 1801, entirely approving of the opinion of the Governor-general with respect to the employment of India-built shipping, but by no means approving of the proposal of transmitting British capital to India †.

The agents in London, finding their cause supported by such respectable authority, became very importunate for an immediate express permission to employ India-built ships, without limitation, in the trade: and several appeals were made to the Public from the press, the principal one of which, written with great ability by a proprietor of India stock, was published so early as the beginning of July following.

There were several proprietors of East-India stock, who favoured the claims of the private merchants; or, to speak more correctly, several private merchants had become proprietors of India stock. Their claims were, on the other hand, strenuously resisted by the Court of Directors, and also repeatedly in General

* He was then Marquis Wellesley by a new creation.

official authority in this matter. See conclusion of his letter of 21 March 1801.

† M^r Dundas entirely disclaims having any

Courts, by great majorities of the proprietors, who thought that the privileges, demanded by the merchants now residing in India, might with as good right be claimed by every merchant and ship-owner in the British dominions, whereby the trade of India would be completely laid open, colonial settlement would be introduced, and would soon be carried to such an extent, that the natives of India would be oppressed, and ruined, or extirpated: the new East-India merchants, by making large purchases of the Company's stock, which is attainable by all purchasers, might in time command a majority of the proprietors, and make the Company's privilege and possessions subservient to the views of their own party; for in all matters wherein their interest and the interest of the Company (or rather the original part of the Company) might come to be in opposition, they would certainly act with the unity and spirit of a party. With respect to the low freight of the India-built ships, the great plea for their admission into the trade, it was found that the owners of those ships, when they were left to make their own terms with the other merchants, charged their freights as high as those of the ships provided by the Company, whereby the conveyance of the goods, and more especially fine goods, is much more expensive in Indian ships, the insurance upon them being much higher than upon any description of ships employed by the Company. Indeed, it must be impossible to navigate ships, whose voyages commence in India, as cheap as those which sail from this country, because they must be chiefly manned by Mohamedan natives of India, called Lascars, who, from their feeble habit of body, and being accustomed only to short voyages during the fine-weather season upon the tranquill seas of India, are unable to bear the cold, and utterly incapable of the vigorous exertion and rapid movements, necessary in the boisterous seas of Europe, and not to be depended upon for defending a ship against an enemy *, to say nothing of their ignorance of the language in which the officers give their orders, on the instant execution of which the preservation of life and property frequently depends, nor of the frequent conflagrations of ships manned by Lascars. Thence it follows that, as they are

* It is proper, however, to observe, that the *Eliza Ann*, an India-built Ship, manned by Lascars, beat off the *Confiance*, a French privateer, which afterwards took the *Kent*, one of the Company's ships. See *Henchman's Observations, Appendix, N^o I. second edition*. But it must be remembered, that the *Kent* was then so deep in the water, in consequence of having

taken onboard the people and a part of the cargo of the *Queen*, one of the Company's ships, which was burnt at Saint Salvador, that her lower gun-ports could not be opened; and that the small arms, which ought to have guarded her against boarding (the mode of attack by which she was overpowered) were found to be of a very bad quality.

very expensive, eighty or ninety of them being scarcely equal to fifty British seamen, many of them, notwithstanding the obligation, under a penalty, of carrying them back to India, are turned off in London, where they beg and perish *, in order to put as many British seamen as possible in their place for the return passage to India ; and there, as the ships are not regular in their voyages like those of the Company, the British seamen must often be turned loose, and may be obliged to go into foreign service, or driven to expedients for a livelihood, which must bring disgrace upon the British name and character. The inevitable consequence of all these evils must be, that a most important branch of the commerce of Great Britain will be thrown into confusion, and finally lost to the British empire.

The Company had already extended the quantity of shipping for the private trade very much beyond what was required by the Charter act ; and, in order to remedy as far as possible the grievance of the private merchants, arising from the ships being sometimes diverted from their proper commercial destination to warlike or political purposes, an inconvenience frequently inevitable in time of war, they engaged a sufficient number of ships in the year 1801, on the terms of being employed for eight voyages certain, and never being detained waiting for their cargoes beyond a limited time, in consideration of which conditions they obtained the freight upon lower terms than it could otherways be afforded. These ships they appropriated exclusively to the trade of the private merchants ; and the freights of goods shipped by them were as low as those charged by such of the private merchants of India as were ship-owners to the others who procured freight from them, with the further advantage of their being more defensible than the India-built ships, and consequently insurable upon lower terms.

They also offered to convey British manufactures to any amount upon private account to India, and to bring home the returns in raw materials, or any other produce or manufactures, except piece goods and saltpetre, which cannot be

* The appearance of these miserable creatures in the streets of London frequently excites the indignation of passengers against the Company, who, they suppose, bring them to this country, and leave them destitute. The truth is, that the Company support as many of them as they can collect, whether brought over by the private ships or their own. But many of them are so much vitiated by intercourse with worthless women, as to prefer a state of beggary to the

support which the Company have provided for them, together with the means of returning to their own country. For the state of the Lascars in the private ships, and in the Company's ships, see the letters of Mr Docker, surgeon in Saint Mary-Axe, 24th March 1802, in the Appendix to the *Third Report of the Select Committee of Directors in March 1802* ; or in the *Asiatic Annual Register for 1802*, p. 92 of *State Papers*.

shipped

shipped without a special licence ; and they moreover offered to fill up the ships on their own account with heavy goods to serve as ballast along with the fine goods of the private merchants.

As a further indulgence to the private trade, the Company gave notice in June 1803, that they did not propose to adhere rigidly to the letter of the Charter act by confining the exports to merchandize of the produce or manufacture of Great Britain, but would allow individuals to ship foreign goods in such moderate quantities as should not very materially interfere with their own exports*.

In August 1803 the Company, in a General Court, came to a resolution to present the use of ten thousand tuns of shipping to Government for the public service : and the vessels were accordingly employed during six months, at the Company's expense, in guarding the coasts against an invasion threatened by the French, and in other services.

I have already had occasion to notice the brilliant success of the renowned naval hero, Nelson, which put an end to the apprehensions which some people entertained for the safety of British India, in case the French had established themselves permanently in Egypt. I have now to relate an equally brilliant achievement of the naval heroes in the service of the Company, whose property to a great amount was in their charge. On the 14th of February 1804 a fleet of sixteen of the Company's ships, deeply loaded, being upon their homeward passage from China, and having ten country ships under their convoy, fell in with the French Admiral Linois, having under his command a ship of eighty guns, two large frigates, a corvette of thirty guns, and a brig of eighteen guns. Captain Dance, who, as the senior commander, acted as Commodore of the fleet, made such preparation to receive this formidable squadron of ships of war, that the French Admiral hesitated to engage them, and actually kept at a distance till next morning, when, on his approaching the fleet, three of the Company's ships commenced an attack upon him, in which he was so severely handled that he thought proper to run from them ; whereupon our ships made a general chase, which they kept up as long as was consistent with the safety of their valuable cargoes, the safe conveyance of which was their first duty.

* This account of the claims and complaints of the private merchants is taken from their own publications and the Reports

of the Committee of Directors of the Company.

His Majesty conferred the honour of knighthood upon Captain Dance. The Company settled a handsome allowance on him for life ; and they made a liberal donation to every officer and man of the fleet, who so nobly exerted themselves in saving the property of their employers, and gaining this glorious defensive victory.

In the year 1785 Sir John Macpherson, who, as the senior member of Council, had become Governor-general of India on the departure of M^r Hastings, earnestly recommended to the Company to form a settlement on Pulo Penang, an island adjacent to the territories of the King of Queda, which is a country situated on the west coast of the great peninsula of Malacca. It was considered as likely to be a port of great importance in a political as well as a commercial view, as its harbour would be a most convenient port for the reception of his Majesty's and the Company's ships, and for the protection of the Company's trade, being happily exempted from storms, accessible in all seasons, and capable of containing a very great number of the largest ships. The island, from its situation, is also well adapted for a general emporium, such as Malacca was in the infancy of the Portuguese dominion in Asia, which may command the trade and navigation of that part of the world.

In the year 1786 the property of the island was acquired from the King of Queda, in consideration of an annual payment of ten thousand dollars ; and it was called Prince of Wales's Island. The ground, which was covered with trees, was cleared. A town, called George-town, was built on the north-east part of the island ; and the population and trade increased.

In the year 1804 the inhabitants, consisting of British, Dutch, Portuguese, Armenians, Arabians, Persees, Chulias from Coromandel, Malays, Buggusses from Borneo, Birmahs, Javanese, and others, were estimated about twenty thousand. The chief articles of produce were pepper of the best quality, betel-nut, and coffee. There was a very considerable trade in European and Indian goods, imported from the Company's various settlements, and also from every coast of the Indian Ocean, by natives of various countries and islands, who came in their own vessels to Georgetown, where they exchanged their native commodities for the productions and manufactures of all parts of the world.

The settlement having thus increased in importance, and promising a progressive increase of prosperity, the Company determined in the year 1805 to constitute it a regular government, subordinate only to the government-general of India, as Madras and Bombay are.

The connection of the Madras government with the Nabob of the Carnatic, which began in the year 1751, was kept up with him and his successors, by the Company's forces protecting them against their enemies, and particularly against the reiterated attempts of Hyder Ally and his son Tippoo to wrest their dominions from them. As a fixed compensation for the expense incurred by the Company on his account, the Nabob Wallajah, in the year 1787, bound himself and his successors to pay fifteen lacks of star pagodas (8/ sterling each) annually into their treasury at Madras. But, as many individuals also had claims upon the Nabob for money lent to him, or for other considerations, and he found himself unable to discharge all the demands upon him, Earl Cornwallis, Governor-general of India, in July 1792 entered into a new treaty with him, by which the Company became bound to keep up constantly a sufficient force for the protection of the Carnatic, and accepted the Nabob's obligation to pay only nine lacks of pagodas annually, instead of fifteen; and also the further sum of 6,21,105 pagodas for the purpose of paying off his debts, to be paid annually till the whole should be completely discharged. In virtue of this agreement the Company's Government took upon them, not only to make the payments to his private creditors, but also to weigh the validity, and adjust the amount, of their claims, many of which were of a disputable nature. For these purposes the Nabob put the Company in possession of a large tract of his country, the revenue of which they were to collect, and employ agreeable to the treaty, which was guaranteed by the British Parliament. In the year 1801 the Nabob Azeem ul Dowlah, the grandson of Wallajah, made over to the Company the entire possession and government of the Carnatic, reserving to himself the title and dignity of Nabob, and one fifth part of the net revenue for the support of himself and his family, besides jaghires (or pensions) allotted to his kindred and others, and several payments to charitable establishments, the Company undertaking to support a sufficient military force for the protection of the country, and for the honorary guard of his person and his palace. In consequence of these stipulations, the Company now stand in the place of the Nabob with respect to such of the private debts as still remain unsettled, amounting, as stated by the claimants, to £5,600,000 sterling, most of which are said to be of about forty years' standing. In order to bring these matters to a final settlement, the Company, with the concurrence of the claimants, in July 1805 appointed three gentlemen to be commissioners for investigating the claims, and ascertaining the sum due to each person, who may be found to have an equitable claim upon the Nabob.

The

The unfortunate Shah Aulum, the Great Mogul, or Emperor of Hindoostan, whose predecessors were during several centuries esteemed the most opulent and most powerful Sovereigns in the world, died at Delhi on the 19th of November 1806, and was succeeded in his sovereignty, which is merely nominal, by his son Akber. In the year 1788 the Mogul was made a prisoner by Gholam Khaudur, the commander of his small army, who put out his eyes, plundered his treasures, and insulted the Ladies of his family. This wicked servant was put to death by Scindia, one of the Chiefs of the Mahrattas, who immediately took possession of the territory allotted for the support of the unfortunate Monarch, and thenceforth kept him in the most miserable indigence, a melancholy example of fallen grandeur, and of the instability of arbitrary government, when supported only by military force. General Perron, a French officer, who held an independent sovereignty in his own hands, and was also the commander of Scindia's army, was entrusted by that Chief with the custody of the Mogul, an employment, which he might expect, on some of the changes of affairs, which so often occur among the Princes of India, to improve into an opportunity of restoring the power of his own nation in that part of the world.

In order to deliver the Emperor and his family from the miserable condition in which they were kept, and to put an end to the French influence in India, the British army attacked the Mahratta and French forces, and on the 11th of September 1803 defeated their combined armies, and immediately took possession of Delhi, the imperial residence, or rather the prison, of the aged and blind nominal Sovereign of Hindoostan, for whom and his family an honourable support was allotted by the Company's Government, which he enjoyed during the remainder of his life, and his family still enjoy.

The ships employed by the East-India Company being larger than those employed in any other trade, they were obliged to lie many miles below that part of the river, which is properly the harbour of London ; and their cargoes being of great value and national importance, the depredations to which they were exposed, were felt as a most serious evil by the Company and the owners of the ships, and also by the Government in the defalcation of the revenue, which the embezzled goods ought to have paid. The use of sufficient wet docks, in which the ships may be loaded and unloaded, being judged the only remedy for the evil, a number of gentlemen were incorporated as a joint-stock Company, with a capital of £200,000, and with power to enlarge it as far as £300,000, if found necessary, for the purpose of constructing wet docks,
inclosed

inclosed by proper walls and ditches, and communicating with the River Thames, to be appropriated solely to the ships in the India trade.—The business of this Company is conducted by thirteen Directors, of whom four must be Directors of the East-India Company.—Their profits are restricted to ten per cent; and they must not engage in building or repairing ships, or be any way concerned in shipping.—They are entitled to receive a duty of fourteen shillings for every tun of the registered measurement of each British-built ship, and twelve shillings per tun for India-built ships navigated by Lascars.—The hatches of every ship arriving from India or China must be locked down before her arrival at Gravesend; and the captain, or one of the two officers next to him in command, must remain onboard till she is moored in the docks, and the keys delivered to an officer of the East-India Company. The East-India Company are required to provide covered waggons or caravans, securely locked, for conveying their goods from the docks to their warehouses.

These regulations, with many others of inferior general importance, were enacted by Parliament in the years 1803 and 1806. [*Acts 43 Geo. III, c. 126; 46 Geo. III, c. 113.*] The docks have been completed agreeable to the proposed plan, and are found beneficial to all concerned with them.

The Company began in the year 1796 to import a species of hemp, called sunn, which grows abundantly in many districts of Bengal, and in the island of Salsette near Bombay. In order to bring it as soon as possible into general use, they sold it, without any regard to immediate pecuniary advantage, at about two thirds of the price of Russian hemp; and they even gave bales of it gratis to several rope makers, in order to allure them to give it a trial. They also got it made into cordage of a great variety of sizes, from ratline stuff to twenty-one-inch cables, some made in the ordinary manner, and some by an improved process with the warm register, invented by Captain Huddart. They also made sail-cloth, hammock-cloth, lines, and twine, in order to give it a trial in every article in which hemp is employed: and they went to considerable expense in making experiments to ascertain the proportion of the strength of ropes made of the sunn in the different modes of manufacturing it, in comparison with each-other and with Russian hemp: and the following statement may be taken as a specimen of the result.

Of three eight-inch cables,					tuns.	cwts.	lbs.
One made of ordinary Russian hemp bore	.	.	.	.	12	4	0
One made of best Petersburg clean hemp	.	.	.	.	14	8	48
One made of sunn hemp, warm-registered	.	.	.	.	15	7	52
					For		

For small cordage the sunn is found to be inferior to Russian hemp; and the cordage made of sunn in the old manner is inferior in strength to the *best* Russian hemp. But it is a great advantage, that cables and other large ropes, which consume the greatest quantity of the material, can be made of the sunn hemp more advantageously than the smaller cordage.

A failure of the sunn cordage in some trials made without attending to the different qualities of it, together with the usual prejudice against new articles, induced some rope-makers and seamen to exclaim against it as totally useless. The Company, nevertheless, having a better idea of the value of it, persevered in their endeavours to bring it into request, till they found that their expenditure upon that object exceeded the amount of the sales by more than £45,000. But, after making that sacrifice for the benefit of the navy and British shipping in general, they thought it their duty to desist from any further importation, till the prejudice raised against the sunn cordage should subside, and its utility be more generally known, and till the great national advantage of lessening the dependence upon Russia for our cordage, and of lessening the unfavourable balance of trade with that country, be more generally understood.

When the differences between this country and Russia took place at the end of the year 1800, the Ministry expressed a wish that the importation of sunn should be resumed: and in February 1803, when the price of Russian hemp was £61 a tun*, they requested that the Directors would encourage the cultivation of sunn in their Indian territories, and import it into this country. In consequence of this application, the Bengal Government were directed to spare neither trouble nor expense in obtaining the sunn of the best quality; and six hemp-dressers were sent out to instruct the natives in the best method of preparing it for the manufacture of cordage, sail-cloth, &c.

Before the sunn, thus ordered, could arrive in this country, one of those sudden changes in the political state of Europe, which have so frequently occurred in the last twenty years, removed the obstruction to the acquisition of Russian hemp: and the sunn was sold at the Company's sale in the ordinary course of business.

In September 1807 the Directors made an offer to the Ministry to import sunn hemp for the use of the navy, and to deliver it at his Majesty's store-houses without any profit; but they prudently declined engaging the Company to run any further risk of loss. The Ministry accepted the proposal, and put a

* In the year 1792 it was £23 10 0.

sum of money into the Company's hands for the purpose : and the sunn has accordingly been imported, and delivered into his Majesty's store-houses *.

The rapid fluctuation of European politics, which has astonished us so often that it now ceases to surprise us, most forcibly demonstrates the necessity of this country making every effort to become independent of any foreign nation for the supply of an article, on which our commerce, our maritime power, and even our political existence, depend. But it is impossible to cultivate hemp in this country without allowing it to occupy the very best of the land employed in raising corn, an article of still more imperious necessity. Therefor, unless we can have a supply from our remaining American provinces, of which, it is believed, there is no prospect, it is evident that India is the only country to which we can look for relief from an absolute dependence upon foreigners for the materials of our cordage and sail-cloth, two articles as indispensibly necessary to the equipment of warlike or mercantile vessels as timber and iron.

Before we dismiss the subject of sunn, it may be proper to observe that there is another raw material of foreign growth, for which it may apparently be substituted. The people of Suffolk make a considerable quantity of shirting and sheeting cloth of the hemp raised in their own fields, which they substitute for flax ; and they make their goods of a strong and durable fabric. The sunn, being of a soft fibre and fair colour, seems very proper for an extended manufacture of such goods, whereby great sums might be saved, which are sent to foreign countries, and the eyes of the Public might be opened to the erroneous policy of some well-meaning patriots, who recommend the cultivation of hemp and flax in this country, in order to be independent of foreigners in the acquisition of those valuable raw materials, not adverting, that, if their advice were to be carried fully into effect, it would require the sacrifice of a great part of the best corn land in the kingdom.

In the year 1802 the Company's Governments in India were drawn into a war against some of the Mahratta Princes, by the victorious termination of which in the year 1805 a very considerable addition was made to their territories. But this war, however brilliant the events of it might be in a military point of view, was very much disapproved of by the Company ; for they thought it unwarrantable in itself, and also exceedingly impolitic, as tending strongly to excite the jealousy of all the native Princes, and involving their Governments in India in engagements with several of the Mahratta Princes of so complicated a nature,

* To detail every exertion of the Company in this patriotic attempt, it would be necessary almost to transcribe the papers, which have

been printed upon the subject, to which the reader, desirous of further information, must be referred.

that they could not take a view of the situation, in which they were placed, without dreading the consequences, and being strongly impressed with the necessity, and the wisdom, of the solemn declaration of the Legislature, that ‘to pursue schemes of conquest and extension of dominion in India are measures repugnant to the wish, the honour, and policy, of this nation.’

Another great evil attending this war was, that the expense of it was most enormous, being prodigiously beyond that of any other war, in which the Company’s forces had ever before been engaged. In order to support that expense, vast sums were borrowed in India upon very disadvantageous terms; and the funds usually appropriated for the provision of investments, and also the bullion sent to India from England, were abstracted from their destined commercial purposes; in consequence of which the Company’s importations of India goods were reduced much below the usual standard, especially in the years 1803, 1804, and 1805.

To the heavy pressure brought upon the Company’s territorial finances, by the Mahratta war, together with the charges of the preceding wars against the Sultan of Mysore in the years 1792 and 1799, there was added a further grievous burthen, occasioned by the numerous expeditions fitted out by the Company in India, at the requisition of his Majesty’s Government, against the French, Spanish, Dutch, and Danish, settlements in the East, and also an expedition to Egypt, together with the purchase of vessels and stores for his Majesty’s service, in all which the Company were not particularly interested, the object of them being merely to distress those nations with whom Great Britain was at war. In order to comply immediately with the desire of his Majesty’s Ministers, the Company’s Governments in India were obliged, in the midst of their own pecuniary distresses, to take up very large sums, at eight, nine, ten, and even twelve, per cent, to the great prejudice of the Company’s own affairs, and also, in some degree, of their credit. By the combined operation of these heavy loans and the abstraction of their funds, the Company’s territorial debt, which in May 1790 amounted to £7,056,652, was raised, notwithstanding considerable redemptions, effected by the operation of, what was called, a sinking fund *, to £30,812,441 † in May 1809.

* The operation of this fund began in Bengal in the year 1799, and at Madras in the year following; and in the year 1809 it had effected a reduction of the debt at interest to the amount of £4,038,696. [*Appendix No 7 in Report of the Select Committee of the House of Commons, ordered to be printed 11 May 1810.*]

† In this sum are included arrears of allowances due in the civil and military departments £1,914,699, which leaves for the net adjusted amount of the debt on that day £28,897,742. [*Appendix No 2 in Report of the Select Committee of the House of Commons, ordered to be printed 21 June 1811.*]

The interest payable upon this tremendous load of debt, at the devouring rates which custom has established in India, together with the necessary charges of government and defence, including a permanent increase of the military establishment, has not only deprived the Company of the annual sum allotted by act of Parliament for their commercial investments, but also absorbed the whole of their vast territorial revenue, though a very great augmentation of it has been lately effected, partly by means of an improved and methodized collection of the quit-rents, partly by the revenue derived from the newly-acquired provinces, partly by some improvements in conducting the businesses of salt and opium, and, above all, by the generally-increasing prosperity of the people living in the Company's territories. This heavy burthen must long continue a grievous drawback upon their prosperity; and it will require a continual perseverance in prudent and economical management, and also many years of peace in Europe and India, to reduce it to the level, at which it may, perhaps, be proper to keep up a transferable debt in India.

The proprietors of about one half of the debt had advanced their money upon the condition of having an option of receiving their interest, and finally also their capital, either in India or in England: and the consequence of this option was, that the bills drawn in India upon the Company, exclusive of those drawn in China, from the year 1801 to 1810 inclusive, have amounted to about *ten millions sterling*.

It must at any time be very distressing to discharge such heavy demands for debts, quite unconnected with the Company's commerce, from the home treasury, which is supplied only from their commerce. But, in the present case the demand is most peculiarly embarrassing, when their resources in India and at home are reduced very much below their usual level by an extraordinary combination of distressing circumstances, among which may be chiefly noticed—The absorption of the territorial revenue in payment of the interest of the excessive load of war debts, already accounted for.—The outlay of the greatest part of the vast sums, advanced by the Company in India at the desire of his Majesty's Government, as also already noticed.—The support of a great number of his Majesty's troops in India, sent out to act against the enemies of the Nation, and far exceeding the number authorized by Parliament to be supported at the expense of the Company.—A balance, unusually large, amounting to £1,451,640, being in the hands of the supercargoes in China in March 1809.—The loss of four outward-bound and ten homeward-bound ships in the years 1808 and 1809, the cargoes of which, with the advances made to their owners, and including £60,729, the value of one of the ships, which was the Company's

own property, amounted to £1,048,077, and, if they had arrived safe, would have produced £1,200,000, *.—To all these hardships and calamities abroad were added the deficiency occasioned at home by the diminution of the Company's sales, partly in consequence of the reduction of the Indian investments, but chiefly in consequence of the convulsed state of Europe, and the interdiction of commercial intercourse with almost every country of that continent, to which the Company's goods used to be exported.—The enormous increase of expense in extraordinary war freight and demurrage (freight, which is as much for carrying troops and military stores as for commercial cargoes, and demurrage almost entirely occasioned by a state of warfare) amounting together to about £600,000 annually. By all these great augmentations of expenditure, and defalcations of receipts, the war in Europe makes a most oppressive addition to the hardships brought upon the Company by the war in India.

Notwithstanding this unprecedented pressure upon their finances abroad and at home, and though the progressive advance upon every article of British merchandize, since the commencement of the war in the year 1793, has occasioned a heavy loss, which cannot be compensated by an advance upon the sales in India or China, nor upon the sales of the goods imported from those countries, the Company have hitherto kept up to the usual standard of their exports; because a reduction of them would derange the established system of their commerce, and also involve the manufacturers and others in this country, who have been accustomed to supply their goods for exportation, in the greatest distress by depriving them of a resource, to which they have always looked up with assured confidence for the support of themselves and their dependents.

In the year 1805, when the draughts from India began to press most severely upon the Company's home treasury, and it became necessary to make extraordinary provision for such extraordinary demands, they considered the large sum, then due to them by the Public for the money advanced in India, as the most obvious, and also the most proper, resource; and accordingly they applied to Parliament for reimbursement of the sums expended by them at the desire of his Majesty's Government, the gross amount of which, with the interest then

* The value of the thirteen chartered ships, added to this sum, may show the pecuniary loss sustained by the Nation in this most extraordinary calamity, which, from the best judgment that can be formed upon the evidence of the captains, whose ships weathered the dreadful storms in November 1808 and March 1809,

was not occasioned by any deficiency in the condition of the ships, nor any neglect or mismanagement of the commanders. But who shall appretiate the loss of the brave men who have perished, or the racking anxiety and severe distress of their suffering families?

due upon it, was stated at £8,570,336, of which payments had already been made upon account to the amount of £3,000,000. The large balance, due to them on this account, if fully paid up, would alone have been sufficient, in the opinion of the Directors, to enable them to meet every demand pressing upon the home treasury at that time.

The consideration of the account being referred to a Committee of the House of Commons, they reported, that they thought some of the articles ought not to be charged to the Public, and some of them ought to be equally divided between the Public and the Company; that, after taking credit for the money already paid, and for the whole amount of a charge made against the Company by his Majesty's Military Pay office, many articles of which were, however, acknowledged to be objectionable, there appeared to be a balance of £2,300,000 then due to the Company. But, as some of the articles were stated upon estimate, and as there was a considerable difference of opinion upon others, whether they ought, or ought not, to be paid by the Public, the Committee recommended that, previous to a final adjustment, the accounts should be investigated by accountants appointed by the Government and by the Company: and, in the mean time, they proposed, that £1,000,000 should be paid to the Company upon account. That sum was accordingly voted by Parliament, and paid into the Company's treasury: and in the year 1806 another payment of £1,000,000 upon account was also made by order of Parliament.

It was in the Company's power to raise money by adding two millions to their capital stock, in virtue of the act 37 Geo. III, c. 3. But the creation of so much additional capital must have entailed upon them an annual payment of £210,000 to the proprietors of the new stock, from which it would be impossible ever to be relieved, and to which the sum, to be raised by the increase of capital, could not be equivalent: for, the value of stock of every description being depressed by the war, they could not expect to raise more than about three millions and a half by a new subscription for two millions. They therefore preferred borrowing two millions upon bonds, which can be paid off, when the pressure produced by the present combination of unfavourable circumstances shall be got over: and they accordingly applied for the authority of Parliament to enable them to issue new bonds to that amount, which was granted by an act [47 Geo. III, c. 41] passed on the 28th of August 1807, in consequence of which the money has since been raised at various times, as it has been wanted, in the manner proposed: for, notwithstanding the surmises of some persons, who affected to see no difference between having a temporary occasion for money and being in a state of insolvency, so far were the Public at large from entertaining

entertaining any doubt of the Company's stability, that the additional bonds were eagerly bought up, and even a premium given to obtain them, which still continues to be paid upon every transfer of them from hand to hand.

In April 1808 the Company submitted to Parliament an exposition of their finances at home and abroad, explaining the leading circumstances which had brought them into their actual situation of pecuniary embarrassment; and they also represented, that the number of the King's troops in India had been further increased, even after the termination of the Mahratta war, whereby the charge of their support, which, before the arrival of those additional troops, had gone far beyond that which the act of Parliament required them to defray for the support of his Majesty's troops, was still further augmented, and that at a time when their finances were grievously embarrassed by the expense of the Mahratta war: and as those troops were employed for national purposes, under the orders of his Majesty's Government, though the Company, in their zeal for the public service, and in their confidence in the justice and liberality of Government, had provided the money, requisite for their support, at great disadvantage to themselves, in India, they conceived that they had an equitable claim for reimbursement of the whole money expended for the support of such part of his Majesty's troops as exceeded the number limited by Parliament. They observed that the vast accumulation of the Indian debt was chiefly the consequence of operations conducted under the administration of controul exercised by his Majesty's Government, and also, that the preservation of the Indian territory is much more advantageous to the British nation at large than to the members of the East-India Company; and therefor there can be no doubt that Government would willingly have incurred a much greater expense than the sum now owing to the Company, or, in other words, would have expended a considerable part of the large sums derived from the Company's commerce and territorial possessions, rather than allow the French, in conjunction with Zemaun Shah, the late sovereign of Cabul, and Tippoo, the late Sultan of Mysore, to get possession of India. Should Parliament hesitate in voting payment of the large sum remaining due to the Company, they requested that they might be favoured with the accommodation of a loan, only to the extent of a small part of their saleable property in London, the net balance of which was then valued at £9,050,587, after paying all debts owing in England, in which was included a part of the Indian debt transferred to England by bills drawn upon them, and without at all considering their vast commercial and other available property abroad, amounting then to £22,741,542 in India, exclusive of their property in China, and without reckoning any thing for their territorial possessions in India.

The

The Committee of the House of Commons, to whom the consideration of the Company's exposition was referred, reported, that of the sum of £2,460,000, claimed by the Company as the balance then due to them, they found £1,500,419 unquestionably owing to them, a doubtful balance being still left open for further discussion: and they intimated that they would have been disposed to act more liberally towards the Company, if they had not thought themselves bound by the principles laid down by the preceding Committee. They also earnestly recommended early and frequent settlements of all accounts between the Public and the Company.

In consequence of the Committee's report, the Parliament in June 1808 ordered £1,500,000 to be paid to the Company on account, which sum, together with £1,020,158, received from the sales of their own goods, and for freight and charges upon private trade, beyond what they were estimated to produce, supplied all that was required for the payment of India bills in that year: and thus were the Company enabled by their own funds to surmount all the difficulties pressing upon them at that time.

But the remittances of the capital of the optional India debt still continued to pour in upon the Company: and, in consequence of the continuing embarrassment occasioned by that troublesome option, in April 1810 they presented to the House of Commons a supplement to their exposition of 1808, showing that bills from India for £2,236,188 (a greater sum than had ever before been drawn in one year) would be payable in the course of the year commencing on the first of March 1810, whereby, though their sales had again been much more productive than they had been estimated, there would be a deficiency, to the extent of £1,202,638, of the sums necessary to be provided before the 1st of March 1811; and also showing that they possessed property in their warehouses in London, and on the way coming home, of the value of £12,524,965, besides the value of the India house, their numerous and capacious warehouses, and their vessels and river craft employed at home, amounting to £1,208,140, and money owing for goods sold and not yet paid for, to say nothing of their vast commercial and territorial possessions in India. Having thus demonstrated the ampleness of their funds, they afterwards petitioned Parliament for a temporary assistance by a loan.

The Select Committee, to whom the consideration of the Company's supplementary exposition and petition was referred, having satisfied themselves by information obtained from some of the principal Directors of the Company, that it would be very disadvantageous to raise money by an increase of the capital stock, and, that, next to making payment to the Company of their remaining

claim upon the Public, which would alone discharge all the demands upon them, the most beneficial measure would be to assist them with a temporary supply, an act [50 *Geo. III, c. 114*] was passed on the 20th of June 1810 for issuing Exchequer bills to the amount of £1,500,000 for the use of the East-India Company. By this assistance the Company's home finances were set at rest for the year 1810-11.

In the course of the year 1809-10 the Company's Governments in India have been enabled to pay off a great part of the optional debt, chiefly with money received upon new loans, which were negotiated at more moderate interest, and on the condition of being *repayable in India only*. This change of the condition of payment was a most important advantage, though it was, as might be expected, attended with an immediate transfer of a considerable portion of the optional debt, belonging to those creditors who preferred receiving their payment in England. But even this further transfer, though it exposes the Company to a longer continuance of the severe pressure upon their finances in England, where there are not any funds, which ought properly to be applied to the liquidation of the territorial debt, produces, by the great difference between the rates of interest in India and in this country, a most important improvement in their general circumstances, as the liberation of the sums hitherto appropriated to the payment of the heavy interest of the capital, now paid off in India or transferred to England, and even of part of the sums, hitherto paid on the debts still remaining, and now saved by the reduction of interest, constitutes a sinking fund, which, if aided by a diminution of expense in consequence of peace, may in time extinguish the territorial debt, or at least bring it within moderate bounds, if it shall be thought eligible to keep up a transferable debt to a limited amount, and at a moderate rate of interest, in India *. And thus the transfer of the India debt, notwithstanding the severe temporary pressure upon the Company, acts like a powerful medicine, painful in the operation, but salutary in the effect.

In June 1811 the Parliament, convinced of the beneficial effect of transferring a considerable part of the territorial debt to this country, of the impropriety of augmenting the capital stock, and of the propriety as well as necessity, of

* The Governor-general, in a letter to the Court of Directors, dated 4 January 1811, states that there was a surplus in the aggregate revenue of India for the year 1810-11 of above £300,000 sterling; and he trusts that, even under the pressure of a war establishment, a

very considerable improvement may be effected in the ensuing year, so that the interest on the public debt may very soon be reduced to six per cent. [*Appendix No 29 in Report of the Select Committee of the House of Commons, ordered to be printed 21 June 1811.*]

having recourse to extraordinary means, in order to meet an extraordinary demand, passed an act [51 Geo. III, c. 64] authorizing the Company to make a further issue of bonds to an amount not exceeding two millions, which, with the two millions already issued in virtue of the act 47 Geo. III, c. 41, may be about equivalent to the sum, which might have been brought into their treasury by the proposed increase of the capital. The Company have accordingly begun to issue the bonds, as money is wanted for meeting the India bills: and the Public, considering them as an advantageous investment of money, continue to give a premium for the acquisition of them.

By this act the Parliament have shown that they consider the prosperity of the Company as inseparable from that of the Nation at large, of which they are the constitutional Guardians.

It is certain, that there never was any other commercial Company in any age or country, that could have encountered such an accumulation of calamitous events, without postponing their payments, to the grievous injury, or total ruin, of their creditors; making a dissolution of their partnership with the loss of a part, or the whole, of their capital; or being absolutely bankrupt. The East-India Companies of Denmark and Sweden faded away, almost to annihilation, at the breath of the British Parliament, when they lowered the duty upon tea. The French Company, after some vicissitudes of deep distress and splendid prosperity, fell a sacrifice to the interference of Government, together with their own mismanagement: and the violence of the national vibration from a passive submission under the most galling oppression to the intemperance of liberty only accelerated the extinction of a life, which was almost at the last gasp. Even the Dutch Company, after flourishing in prosperity for almost two centuries, had fallen into such a state of decay before the commencement of the war of the French revolution, that their Oriental establishments, which once so proudly domineered over all the islands of the Indian Ocean, fell prostrate before the very threat of hostility: and that once puissant and opulent Company have been for some years bypast entirely at a stand. But the East-India Company of this country, amidst all the distresses brought upon them by misfortunes, which no human prudence could guard against, and by wars and other transactions in India, engaged in against their inclination, have kept up their usual exports, and also the punctuality of their payments, enormously heavy as they have lately been, with undeviating regularity. Indeed, the successful struggle they have maintained during several years against the very trying situation in which they have been placed, affords

the noblest proof of their commercial stability ; while their territorial resources are far beyond any comparison with the greatest property that ever was possessed by any commercial Company in the world.

From beyond the mouths of the Ganges to Cape Comorin, and from that southern extremity of India to the mouths of the Indus, the Company have the command of the whole coast, except the trifling settlements of the Portuguese, and the territory of the Poona Mahrattas, who are bound by treaty to admit no ship, which does not carry British colours, into their ports. The Nizam of the Deccan, whose territories are entirely inland, is engaged by treaties, and by his own interest, to live in friendship with the Company's Governments. The Nabob of Oude, another inland country, may be considered as holding his dominions under the protection of the Company, as well as the Nabob of Arcot and many other Princes of inferior importance. The Mahrattas are now connected with the Company by treaties of friendship and alliance, which, if they prefer their real interest to the precarious acquisitions of predatory warfare, they will preserve unviolated. Indeed, there is every reason to believe, that all the Princes of India are now convinced, that the tranquillity of their government, together with their own prosperity and that of their subjects, will be most effectually secured by the friendship of the Company. Of the Oriental Potentates, not so nearly connected with the Company as those now mentioned, the Burman Emperor is the most powerful ; and he is disposed to cultivate their friendship, and to promote a commercial intercourse with them : and there are also relations, offensive and defensive, between the Company and the Sovereign of Persia.

From this glance of the present state of India it appears, that the Company's territories are exempted, as far as human prudence, treaties of friendship and alliance, and a competent military force, can exempt them, from the danger of any foreign European army being landed on any part of the whole extent of the coast of India, and that there is very little danger of their being attacked, either from the sea or the land, by any hostile European Power, or any of the neighbouring Princes of Asia.

With respect to the internal security of the Company's territories, there is every reason to believe, that it will not be in any degree impaired, but will, on the contrary, rather be augmented, by the consequence of some commotions, which have lately taken place among their native troops, and more recently among the officers of a part of their European army : while the increased, and still increasing, prosperity of the natives of all ranks, who live under

under their government, the security and freedom, with which they may now enjoy the fruits of their industry, and their exemption from the calamities of war, contrasted with the oppressions, the extorsions, and the perpetual convulsions and warfare, of their former Mohamedan governments, which are still within the memory of the aged people among them, afford the best assurance of the continuance of their attachment to the Company, and of their desire, and co-operation, to support the beneficent government, which has improved their circumstances, and enabled them to enjoy the pre-eminent abundance of their country in safety and tranquillity.

From what we have seen, in the whole course of the commercial history of the Company, of the unshaken fortitude and consequent success, with which they have withstood and baffled the storms of above two centuries, there appears no reason to doubt, that, as soon as they shall be relieved from the unprecedented pressure upon their finances, and the multiplied hardships of the present long-protracted universal war, they will make a speedy reduction of their India debt; and their commerce will recover its accustomed vigour and prosperity, and continue, with the blessing of Divine Providence, to dispense comfort and happiness to all connected with it in India and in Europe, and contribute largely to the power and prosperity of the whole British empire.

THE COMMERCE OF THE FRENCH WITH INDIA.

ABOUT the end of the fifteenth century the French were probably the most opulent people of Europe, next to the Italians and Netherlanders ; and they consumed a large proportion of the spices, silks, and other Oriental commodities imported from Egypt and Syria by the Venetians, and more recently from India by the Portuguese.

In the year 1503 some of the merchants of Rouen, who were desirous of participating with the King of Portugal in the importation of India goods by the newly-discovered route by the Cape of Good Hope, fitted out a small squadron for India under the command of Captain Gonneville, who, meeting with a furious storm beyond the Cape of Good Hope, was driven to an unknown land, where he remained some time, and thence returned to France.

Notwithstanding this very discouraging beginning, some of the merchants of Dieppe are said to have also engaged in the India trade in the early part of the sixteenth century, and to have met with considerable success : and one of them, named Ango, is particularly celebrated for the splendid success of his commerce, and even for his naval power. It must however be acknowledged that the accounts of the early French commerce with India are of rather doubtful authority ; and the spirit of enterprise, if it ever was so vigorous as some French authors represent it, must have soon evaporated ; for we find that Francis the First, a King who made it his study to promote the prosperity of his subjects, found it necessary to exhort them by a proclamation in the year 1537, and again by another in 1543, to engage in trade with distant countries. But his patriotic admonitions had very little effect upon the people, being opposed at the time by the general prevalence of a romantic passion for chivalrous achievements, which, during their long and frequent wars in Italy, was carried to such a degree of enthusiasm as made them despise commerce and navigation, and afterwards by the long-continued sanguinary wars for opinions in matters of religion.

In May 1601, the fury of religious warfare having somewhat relented, an association of merchants fitted out two ships at Saint Malo for India, under the command of the Sieur Bardaliere. They arrived in the following February at Madagascar, where they remained till May ; and in July they suffered ship-
wreck

wreck among the Maldives, a long chain of many thousands of small islands, extending north and south from the Equator, which produce scarcely any article of commercial value *.

Nearly about the same time, that Bardaliere sailed from Saint Malo, Girard, a Flemish navigator, who had been in India onboard a Dutch ship, made an offer of his acquired knowlege and his services to some French merchants, who, upon his suggestion, entered into an association for prosecuting the East-India trade. In the year 1604 King Henry the Fourth incorporated them by a charter, which conferred upon them the exclusive privilege of trading to India for fifteen years ; and they were to be exempted from paying any duties on the goods imported in their two first voyages.

The charter granted to this first French East-India Company constituted by Royal authority, had no other effect than that of preventing other French subjects from entering into the trade ; for the Company themselves did not send a single ship to India. However, notwithstanding their total inactivity, in the year 1611 they obtained from the Ministers of the infant King, Louis the Thirteenth, an addition of twelve years to the term of their privilege. It is alleged that the Mareschal d'Ancre obliged them to apply for the new arret, and to pay him a large sum for his good offices in procuring it, which almost exhausted their little capital, so that they never were able to send out any ships.

Some merchants of Rouen, seeing that the Company made no attempt to prosecute the trade, proposed to establish among themselves a more efficient association. The chartered Company opposed this invasion of their dormant and neglected privilege ; and the King put an end to the contest in the year 1615 by joining the new adventurers with them in one Company, under the name of THE MOLUCCO COMPANY, or THE MONTMORENCI FLEET ; and he gave them an exclusive privilege of trading to India for twelve years, to be reckoned from the departure of their first ships.

In the following year the Company dispatched two ships, commanded by Captain Nets, an officer of the Royal Navy, and Captain Beaulieu, who employed as many Dutch seamen as they could procure, in order to have the benefit of their experience of the navigation. But this measure turned out very prejudicial to their voyage ; for, when the ships arrived in Java, the Dutch

* Francois Pyrard de Laval, who wrote the account of this disastrous voyage, after being detained many years in the Maldives, got home to France in the year 1611. Purchas,

in his abridgement of Pyrard's narrative, takes care to inform us that the pilot was an Englishman.

Governor ordered all the subjects of the States-General to leave them, in consequence of which the French commanders were obliged to dispose of the smallest ship to one of the native Princes of the island, and return home with only one cargo. Nevertheless, the large profit usually attending a new trade, preserved the Company from being losers by the voyage.

The Company, of whom M^r Gamin and M^r Bachelier appear to have been the principal acting members, nothing discouraged by the misfortune of their first voyage, fitted out a second fleet, consisting of two good ships and a patache, or tender, all under the command of Captain Beaulieu, who sailed from Honfleur in October 1619. At the Cape of Good Hope he detached the second ship for Bantam, where she was burnt, apparently by the Dutch, having onboard a cargo valued at 500,000 crowns. From the Cape Beaulieu proceeded to Sumatra, and presented a letter from his Sovereign to the King of Acheen, the most powerful of the Princes of that great island. This King, a cruel and capricious tyrant, took into his own hands as much as he thought proper of the trade of his extensive dominions, compelling the cultivators to sell their pepper to him at his own price, and not permitting them to sell to any stranger, till he should be pleased to dispose of his own at a most enormous advance. Beaulieu, after suffering many vexations, and much loss of time and money by the arbitrary extorsions of this monopolizing King, and by his own want of experience of the navigation and the proper method of conducting the trade, got his own ship loaded with pepper, with which he arrived at Honfleur in December 1622. The sale of the cargo defrayed the cost of the voyage, notwithstanding the loss of one of the ships and her cargo: but the Company did not feel themselves disposed to make any further attempts.

There appears to have been at this time a Company of merchants at Saint Malo, apparently unchartered, who also sent ships to India, and had an agent, called Limonnay, settled at Bantam*.

In the year 1633, the Company's privilege being expired, some private merchants of Dieppe sent their vessels to India and Madagascar. Captain Reginont (or Reginon), the commander of one of them, having made a very profitable voyage to India, the merchants concerned with him were encouraged to send another ship, commanded by Captain Ricaut, along with him in the next voyage; and both these commanders afterwards made several profitable voyages.

* The account of Beaulieu's voyage, and the short notice of the Saint Malo Company, are extracted from a very ample and judicious

narrative, drawn up by Beaulieu himself, and published by Thevenot in his *Voyages curieux*.

In the year 1642, being the first year of Louis the Fourteenth, Cardinal Richelieu, the Prime Minister, gave Captain Ricaut, and twenty-three other persons, a patent for an exclusive trade with all the countries beyond the Cape of Good Hope during ten years. Their views at first were chiefly directed to the east coast of Africa and Madagascar, in which island they built a few trifling forts; and they afterwards settled factories at Surat and some other places on the west coast of Hindoostan. But it was impossible for any commercial undertaking to prosper amidst the civil wars which convulsed France during the long minority of the King. Nevertheless, though their trade languished, they were desirous of persevering; and in December 1652 they obtained a patent renewing their privilege for fifteen years. But still they did no good to themselves or their country: and finally, the Mareschal de la Meilleraie, having by some means got their forts in Madagascar into his own hands, thereby ruined the Company, and also himself.

In the year 1660 M^r Fernel of Rouen and some other merchants obtained a patent for an exclusive trade with China, Tonquin, Cochin-China, and the adjacent islands. But they had scarcely begun to make the necessary preparations for carrying their privilege into effect, when they were absorbed in the Company of the East Indies.

It was in the year 1664, under the administration of Colbert, the great patron of the commerce and manufactures of France, that the famous COMPANY OF THE EAST INDIES was formed. That great Minister, ardently desiring to see his country emulate, or surpass, England and Holland in the East-India trade, used every possible means to give stability, efficacy, and dignity, to the new Company. In order to encourage them to go on with spirit and perseverance, their exclusive privilege was granted for the long term of fifty years. Their capital stock was declared to be fifteen millions of livres*. The King sent a hundred and nineteen circular letters to the magistrates of the various towns, and invited all his subjects, without distinction, to subscribe to the Company's stock. The Nobles were allured by the prospect of gain, and an assurance that their engaging as partners in this trade should be no derogation from their dignity. Honours and hereditary titles were also promised to those who should distinguish themselves in promoting the prosperity of the Company. Foreigners, subscribing twenty thousand livres, were declared denizens of the kingdom; and officers of the army, subscribing the same sum, were allowed to be absent from their regiments, and nevertheless to have their pay and promotion go

* At that time the French money contained about twice as much silver as it does at present.

forward. The sovereignty of the great island of Madagascar was conveyed to them, as a dependence of the Crown of France, together with the power of appointing civil and military officers in all their settlements, sending Ambassadors in the King's name to the Princes of India, and making treaties with them. The King engaged to protect their establishments by force of arms, and to furnish sufficient convoys for their outward and homeward fleets. He also engaged to pay them a premium of fifty livres for every tun of merchandise exported, and seventy-five livres for every tun imported, by them, and to exempt all stores, necessary for building, equipping, and victualing, their vessels, from paying duties of any kind, outward or inward. The Company were allowed to export gold and silver, notwithstanding the law in force against carrying money out of the country. The goods imported by them, and consumed in France, were charged with only half the duties imposed on similar goods by the laws in force ; and those sent by the Company to foreign countries, and to the privileged provinces, were entirely exempted from duty. The King engaged to lend them the fifth part of the sum necessary for the three first voyages, and to allow the money to remain in their hands ten years without interest.

Such was the flattering encouragement held out to the Company ; and great were the expectations of a flourishing trade, with all its attendant comforts and advantages. But it may be observed, that the nation, whose merchants stood in need of Royal pecuniary assistance for carrying on their trade, was not arrived at the maturity of opulence, commercial knowlege, and commercial energy, necessary for establishing and conducting an East-India trade upon a magnificent scale. A strong proof of the want of opulence, or of commercial spirit, in the country appears in the failure of completing the small capital of the Company, the whole payments made by the subscribers, among whom were many of the courtiers and other people of high rank, being only about six millions of livres, which, with the money advanced by the King, made only about eight millions in all.

The French still retained a high opinion of the importance of Madagascar, and of the wealth to be drawn from its supposed mines of gold and silver. The Company, therefor, notwithstanding the repeated disasters their predecessors had suffered in that island (mostly, indeed, owing to the misconduct of their own people), resolved to establish the capital of their Oriental possessions in it. In the year 1665 they sent out four vessels with forces and colonists to make a very strong settlement, or rather to lay the foundation of an empire. But the conduct of the people entrusted by them was so foolish and atrocious, that they made the natives their enemies, which obliged

obliged the Company to request the King to relieve them from the burthen of the island. But before any new arrangements could be effected in Madagascar, the wanton cruelty of the French settlers had provoked the natives to massacre the whole of them, except a small number who made their escape to the Island of Mascarenhas, since called Bourbon.

The Company also established a principal factory at Surat, with several posts on the coast of Malabar subsidiary to it: but it was not long before they abandoned their station at Surat without paying their debts. They obtained two posts in the kingdom of Siam. They attempted to settle a post in Tonquin. They began a trade with Cochin-China. But they met with no sufficient success in any of those countries, nor in several other places where they attempted to settle. And now they learned from experience the impropriety of multiplying their settlements, and seeking to spread them over every coast of the Indian Ocean.

The French Government, on the suggestion of Messieurs Caron and Martin, who had both been many years in the service of the Dutch Company, made an attempt in the year 1672 to get possession of some of the Dutch settlements in Ceylon. The French forces took Trincomalee; but they were soon driven out of it, and obliged to leave it, by the superior power of the Dutch. M^r de la Haye, the French commander, thereupon sailed over to the coast of Coromandel, and made himself master of Saint Thomas, then belonging to the Dutch. But it was not long before the Dutch found means to persuade the King of Golconda to co-operate with them in an attack upon the French garrison, who, after a gallant defence, were obliged by famine to yield the place to them. When the French were thus deprived of Saint Thomas, M^r Martin purchased from the King of Visiapour a village upon the coast, called Pondichery, with a small adjacent district, where he settled with the remainder of the French forces. Finding the neighbouring country inhabited by industrious manufacturers, he wrote to the East-India Company, informing them that his new settlement might easily be rendered a great mart for the advantageous purchase of piece goods.

In consequence of some convulsions among the native Princes, Martin thought it necessary to fortify his town, which, under his prudent administration had become very populous. Wishing to live in friendship with the Sovereign of the country, he applied for his permission to put his settlement in a state of defence, which was granted in the year 1689. The Prince also honourably refused a bribe offered to him by the Dutch for his assistance to

expell the French entirely from the country, saying 'The French have fairly purchased the place, and I shall not be so dishonest as to take it from them.'

The Dutch never lose sight of what they conceive to be their interest. In the year 1693 they purchased the co-operation of a new Prince of the country, who did not possess the honourable sentiments of his predecessor, and attacked Pondichery with a powerful fleet and a considerable army. Martin was obliged to submit to their superior force : and the existence of the French on the coast of Coromandel was supposed to be at an end. The Dutch, in order to secure their conquest, immediately improved and enlarged the fortifications. But their labour and expenditure were all for the benefit of the French Company, to whom they were obliged most reluctantly to restore it by the treaty of peace concluded in the year 1697.

Martin, the father of the settlement, was again appointed to the government of it. He immediately renewed his exertions for the prosperity of the place : and, by his prudent and conciliatory conduct, he rendered it the interest of so many of the natives to live under his protection, that in a few years he made Pondichery the largest, the strongest, the most populous, and most flourishing, European city in India.

In Europe the Company, though struggling with poverty of capital, had equipped several small fleets for India. The King, in order to encourage and assist them, had advanced two millions of livres in the year 1668, in addition to the like sum already lent to them : and he promised to take upon himself any losses they might sustain in the first ten years. He also urged the proprietors to pay in the arrears of their subscriptions.

At a general meeting of proprietors, held at Paris in the year 1675 under the direction of the King, a dividend of ten per cent was ordered to be paid to all those who had paid in two thirds of their subscription ; and the defaulters were required to complete their payments before the 11th of July 1676, on pain of forfeiting to the Company the payments already made. The King at the same time gave up his claim upon the Company for the four millions advanced to them.

In the year 1682, the Company's funds being utterly inadequate to the management of an extensive trade, permission was given to all persons, foreigners as well as natives, to trade to India in the Company's ships during five years, paying such freight as they could agree upon, lodging the goods imported by them in the Company's warehouses, in order to be sold along with their

their own, and paying them a duty of five per cent. The proposal was eagerly embraced by many individuals, and the Directors flattered themselves with the hopes of deriving some income from these small profits, to be made without any risk or further outlay of capital. But many of the proprietors, repining at the profits they saw made by the private traders in virtue of the Company's establishments in India, expressed their discontent ; and in two years an end was put to this mode of conducting the trade.

Many were the causes which contributed to distress the Company. Notwithstanding their deficiency of capital, their Directors and Managers in France, and most of those in India, affected to imitate the splendour of their Sovereign in schemes of ostentation and expense, instead of acting with the prudent economy necessary to be adhered to in commercial transactions, especially by a community circumstanced as they were. Thence they were driven to the expedient of borrowing money, though they were far from being able to pay the interest, which was generally enormous, without encroaching upon their little capital. The civil wars in France, and the foreign wars, also accelerated their ruin ; and even the successes of their countrymen added to their distress : for the swarms of French privateers, which covered the seas, carried into the ports of France a prodigious number of vessels, taken from the English and the Dutch, many of which had onboard vast quantities of East-India goods : and, as prize goods must be sold at whatever prices they will fetch, the glut reduced the value almost to nothing, and obliged the Company to sell their goods at a heavy loss, or not to sell at all.

When we consider the accumulation of calamities pressing upon this unfortunate Company, we will scarcely be surprised to find that their sales in twenty years from 1664 to 1684 amounted to no more than 9,100,000 livres, as appeared by their accounts.

In May 1684, the Company, finding themselves unable to make good their engagements, and continue their commerce, it was proposed to new-model their constitution, to elect new Directors who should have salaries, and to strike off all the subscribers who had not paid in at least eighty per cent. From these measures they hoped for a revival of their credit, and relief from their embarrassments.

The Company's accounts being examined by Commissioners appointed by the King, it was found that three quarters of their capital stock were totally lost. Therefor, in order to obtain some kind of capital, the proprietors were required by Government to pay in a sum equal to the remaining quarter in ready money within a month, failing which the defaulters should receive one quarter of their
original

original stock, to be paid them in two years by persons appointed by the King, as a full compensation for their interest in the Company's stock.

On this occasion it was found that the remaining stock amounted only to 3,353,966 livres. No more than eighty proprietors complied with the order of paying in the additional quarter; and all their payments amounted only to 109,516 livres. Such feeble help only proved the impossibility of continuing the trade in the condition the Company were in. The King therefor ordered twelve persons, named by himself to pay in the sums which the old proprietors ought to have paid. He also ordered that those new proprietors should be Directors, and made many other regulations for the management of the Company's affairs.

The Company after these new arrangements enjoyed a short glimpse of prosperity: and in the years 1687 and 1691 the proprietors received two dividends, amounting together to thirty per cent, which, it is believed, were derived from the profits actually made in the trade; whereas any dividends, which had hitherto been made, were furnished by the ruinous expedient of drawing them out of the capital.

Though the Company resumed their commercial operations after the termination of the war, which followed the revolution in Great Britain, their affairs were conducted with so little energy, that in the year 1697 they were content to agree to a proposal made to them by M^r Jourdan and his associates for a permission to send their own ships to China, on condition of paying five per cent on the amount of their returns to the Company. Those gentlemen immediately dispatched their ship, the *Amphitrite*, which returned in August 1700 with a very rich cargo. Great hopes were now conceived of the prosperity of the China trade; and four ships were immediately fitted out, one of which was the *Amphitrite*, which in September 1703 returned with a cargo as valuable as her former one. But none of the French Companies appear to have ever been able to preserve their trade in the time of war: and this one absolutely gave up sending out any more ships as soon as the war of the Spanish succession broke out, lest they should fall into the hands of the English or Dutch, who, they knew, were too powerful for them in the Indian seas. So this *China Company* very soon became dormant.

In the year 1701 the East-India Company obtained a grant of the further sum of 850,000 livres from the King, on condition that they themselves would make an addition of fifty per cent to their stock; a condition with which most of the proprietors refused to comply.

The frequent neglects and refusals of the proprietors to pay in their subscriptions, or answer the calls made upon them, seem to show, either that the trading people, and even the Nobles, Judges, and Magistrates, of whom there were many among the subscribers, possessed very little ready money, and had very little credit; or that many of them had so little confidence in the success of the Company, that, on some occasions, they would rather forfeit their installments, already paid in, than complete their payments.

It would be tedious to recount every Royal arret issued for regulating the affairs of this ill-fated Company. The continual interference of Government in the affairs of a commercial society was of itself sufficient to derange and distract their counsels, and may partly account for so many of the partners chusing to submit to the loss of the money they had paid in, as the least of two evils. They had also now lost the favour of the Government, who loaded their imports with heavy duties, and harassed them with prohibitions of their silk goods and other articles, and with a constant succession of contradictory orders. In short, the Company were at a stand; and it plainly appeared that France was not, at least in that age, a country in which a great East-India trade could flourish.

In this unpromising state of their affairs, the Company, by the permission of Government, agreed in the year 1708 to licence some merchants of Saint Malo to send their own ships to India, on condition that the Company should receive a duty of fifteen per cent upon their returns, and should have a right to load such goods as they should want freight for, to the amount of ten tuns onboard each of their ships, and should enjoy the tunnage bounties outward and inward granted to them by virtue of their original patent.

Scarcely any point in history has ever been recorded with more contradictory assertions than the success of the Malouin merchants in their East-India voyages. The enemies of privileged Companies assert that all, or at least most, of them made extraordinary great profits. The friends of the Companies, on the contrary, positively affirm that many of them were ruined, and that the good success of some of their voyages to India was merely owing to their immediately falling into the trade abandoned by the Company, and having the benefit of all their establishments. But the greatest profits, it is said, were made by those who traded with the Spanish settlements in South America, where, for temporary political reasons, their infractions of the Spanish colonial laws were permitted, or at least winked at, by the Government, in compliment to their new King, the grandson of the King of France. The vessels intended for this trade, being loaded with goods proper for the Spanish colonies, after making some stay at Brazil, proceeded round Cape Horn, and traded upon the coasts of Chili and Peru,

Peru, receiving silver in exchange for their goods. Thence they stretched across the Pacific Ocean, and, after touching for refreshments at the Ladrone islands, proceeded to the coast of China, and traded at Emouy, where the port charges were very moderate, and they were at liberty to sail when they pleased; advantages not to be found at Canton, which is now the only Chinese port, in which Europeans are admitted. They then passed the Cape of Good Hope, and steered for the French islands in the West Indies, where they also carried on a profitable trade; and thence they returned to France. These voyages generally took up from three to five years: and the profits made in them sometimes amounted to *fifteen hundred per cent* upon the original cost. The Malouins continued their voyages, conducted in this manner, till the year 1719: but their neglect of the India trade, for which alone they were licenced, obliged the people of France to purchase nine tenths of the India goods required for their internal consumption from foreigners: and if Melon, who published a political essay on commerce at Paris in 1736, was well informed, their sales of *India goods* never amounted to two millions of livres in any year; which, we may believe, could scarcely be equal to a tenth part of the quantity needed for the consumption of all France. This trade is said to have been conducted by an association of merchants, who contributed a capital of four millions of livres: so it was still the trade of a very considerable Company*.

While the Malouins were carrying on their commercial circumnavigations of the Globe, a new Company was established by a Royal arret, dated in February 1713, for trading to China, unconnected with the East-India Company, or with M^r Jourdan and his associates: and the duration of their privilege was to be no less than fifty years. The only business they transacted was sending out two ships, which in the year 1718 returned with cargoes, not to France, but to Ostend and Genoa†. We shall find that in the year 1719 this *China Company* was incorporated with the great *Company of the West*.

In the year 1714, when the East-India Company had languished out half a century without having got beyond the debility of infancy, with their capital stock completely run out, and indebted to the amount of ten millions of livres,

* I have taken the account of the Malouin voyages chiefly from *Doutes d'un actionnaire sur le Memoire de P'Abbé Morellet*, p. 4. It is anonymous and without date. But the author says, he was a proprietor since the year 1720 of the Company, which was suspended in 1769: and his work has every appearance of being authentic.

† Mr. Morellet, in his list of extinct Companies, [*Examen de la reponse*, p. 36] says, that this Company never made any use of their privilege. We have seen that they made but very little use of it; but the assertion, that they made absolutely none, is one of M^r Morellet's mistakes.

they applied for, and obtained, a prolongation of their exclusive privilege for ten years. Their view in seeking this extension seems to have been merely to enjoy a continuation of the trifling benefit they derived from the commerce of the private traders, though it could not be equal to the expense of their foreign establishments, by means of which those traders made their profits, all of which, except what they made by their clandestine trade, would have gone into the treasury of the Company, if their business had been conducted by prudent merchants, acquainted with maritime affairs and the peculiarities of Indian commerce, instead of financiers and courtiers, and, if they had been favoured with less of the kind attention of Government.

Whether the Company carried on any business for themselves at this time, I have not discovered. But, before the expiration of their new term, they were swallowed up in one of the most extraordinary associations that ever could be produced by financial, political, or commercial, speculation.

The continual wars, the magnificent buildings and gardens, and other ostentatious and useless expenses, of Louis the Fourteenth had plunged France into general poverty and despondence, aggravated by an intolerable load of Government paper of various descriptions, which the insolvency of the Treasury had reduced to a very depreciated value, or rather almost to an impossibility of circulation upon any terms. In this desperate state of the finances some unprincipled pretenders to loyalty endeavoured to persuade the Duke of Orleans, the Regent, that the King was not bound to pay the debts of his predecessor, and that it was *expedient* to ruin the creditors of the Public, in order to relieve the Government and the Nation at large from the pressure. The Regent was somewhat staggered by the convenience of their proposal: but he was preserved by his probity, or the fear of infamy, from the guilt of consenting to it. He imagined he should much more effectually promote his own glory, and the prosperity of the Nation, by adopting the schemes of John Law, a native of Scotland, a man of a lively and ardent genius, though a great calculator, who proposed to discharge the prodigious mass of the public debts by operations of finance and splendid schemes of commerce*.

The first step in the execution of his stupendous scheme was the establishment of a BANK at Paris in May 1716, upon a capital of six millions of livres, divided into twelve hundred shares, which (according to the fourteenth article of the patent) might be transferred by the signature of the seller in the proper book

* Mr Law had offered a scheme of a National Bank, for issuing notes to an unlimited amount on the security of land, to the last Parliament of Scotland, who referred the consideration of it to the Committee of trade, by whom it was rejected.

in the Bank, as stock is transferred in England *. The partners of the Bank were prohibited from engaging in any kind of commerce or maritime insurance in their corporate capacity, the establishment being intended merely for the purpose of receiving money in deposit and repaying it on demand, discounting bills, and lending money at a moderate rate of interest. Notwithstanding the gloomy aspect of affairs, the credit of the new Bank very soon became so great, that their notes were current in every part of Europe. The real money, which had been hoarded up, was now restored to the circulation; industry was re-animating; foreign trade was resumed; the exchange even turned in favour of France; Law himself was most agreeably surprised at the success of this first experiment, and his enemies were confounded.

M^r Law, having now acquired the character of an able and upright statesman, and being ambitious of the glory of discharging the whole debts of the nation, persuaded the Regent to found the COMPANY OF THE WEST, better known by the name of the MISSISSIPPI COMPANY, in August 1717, and to confer upon them for twenty-five years the exclusive trade and the property of Louisiana, together with the beaver trade of Canada, the *Canada Company* being on this occasion incorporated with the new one. The benefit proposed to the Government was the absorption of a considerable quantity of their paper by receiving it in payment of the Company's capital, which was declared to be *one hundred millions*, divided into shares of five hundred livres each, the Government paying interest at four per cent for their debts taken in by the Company. The allurements held out to the adventurers was a report of gold mines in Louisiana, richer than those of Spanish America. Foreigners, as well as native French subjects of every description, were admitted to become proprietors. The Nobles were exempted, as in the old East-India Company, from disparaging their rank by subscribing, and the King himself became a proprietor to a very large amount. The Company were also gratified with many privileges in trade, exemptions from duties and burthens, and with the gift of ships, warehouses, forts, arms, &c. in L'Orient, which was appointed to be the port of their commerce, and in Louisiana.

In the year 1718 the nominal *Company of Senegal*, and in May 1719 the *Company of the East-Indies* and the *Company of China*, were united with, or swallowed up in, the Company of the West, who thereupon assumed the name of the COMPANY OF THE INDIES: and the privileges of the *Company of St. Domingo*,

* In the other branches of Law's system this most safe and convenient mode of transfer

was changed for the delivery of a loose slip of paper.

and those of the extinct or dormant *Company of Guinea*, were added in September 1720. Their privilege of exclusive trade was now extended over all the west coast of Africa and all the coasts and islands of the Indian and Pacific Oceans. The King gave them a gift in perpetuity of all the French forts and buildings on the coast of Africa: and, in general, all the property of every kind belonging to the united Companies was now vested in this great comprehensive Company, who were consequently bound to pay the debts owing by all the Companies to whose rights they succeeded. All the bounties and exemptions, originally granted to any of the united Companies, were transferred to them: and, as the Company became bound to transport at least three thousand Negroes to the French West Indies, the premium of thirteen livres for every Negro landed in the colonies, and the other of twenty livres for every mark of gold imported into France, were revived or continued to them.

In order to render the capital of the Company adequate to the vast extent of their proposed commercial enterprises, they were empowered, in the year 1719, to open a subscription for *fifty thousand* new shares, amounting to twenty-five millions of capital stock, to be paid for at the rate of 550 livres for every share of 500; and Law, observing that the shares of the Company of the West, which had remained nearly stationary at the original subscription price till the union of the Companies, had been raised to 130 per cent by the public expectations of the prosperity of a Company uniting in itself the privileges of so many separate Companies, required the payments of this subscription to be made in real money. It is, therefor, not at all surprising, that subscriptions for the new stock, at only 110 per cent, poured in so rapidly, that, very soon after the offices were opened, they amounted to a *hundred thousand shares* instead of the fifty thousand required.

The Government, seeing the eagerness of the subscribers, issued an arret fixing the total number of shares at three hundred thousand, which, it was declared, they should never exceed; and, to make up that number, *fifty thousand* more shares were immediately subscribed for at 1000 livres each, payable in bank notes. This *small* subscription seems only to have kindled the ardour of the Parisians, who, notwithstanding their late backwardness in subscribing for the India trade, had now all become stock-jobbers. The Government took the advantage of the enthusiasm, and, disregarding the recent limitation of shares, indulged them with *three more subscriptions* for *one hundred thousand shares each* at 1000 livres for every share; and payable in Government paper of every kind, which followed each-other in rapid succession, and were filled up by the

infatuated

infatuated people with astonishing avidity, whereby a very large additional mass of the Government paper was quickly absorbed.

No business was now attended to in Paris, except buying and selling shares. People of all ranks, foreigners as well as natives, sold off their property of every kind, at whatever prices they could obtain, in order to participate in the wonderful advantages expected from the financial, commercial, and mining, operations of the Company : and the managers, in order to admit even the lowest of the people to make their fortunes, or ruin themselves, by stock-jobbing, split many of the shares into hundredth parts. Stock rose every day, and reached, when at the highest, the enormously frantic price of *one thousand*, or, according to some authors, *twelve hundred*, per cent *. Paris was loaded with a glut of real money, a great part of which was poured in from foreign countries : the prices of all the necessaries of life were raised in proportion : and lands near the city were bought at fifty years' purchase by some of the speculators, more sharp-sighted than their neighbours, who seized the favourable opportunity of selling out their stock.

The Company, having acquired a monstrous sum of money by the sale of their stock, lent the King *twelve hundred millions* of livres in August 1719, and *three hundred millions* more in October, at an interest of three per cent. In return for the favour, the King deprived Lambert, the farmer-general, of the collection of the revenue, and gave the farm of it to the Company, who agreed to pay him fifty-two millions a-year for it ; and he had already conferred on them the privilege of coining money for nine years, for which they were to pay him fifty millions ; a sum impossible to be derived from the profits of coinage, except by diminishing or adulterating the money.

It is now time to turn our attention to the Bank, whose business had hitherto gone on very prosperously, having scarcely any connection with the Government. But in December 1718 it was declared to be a ROYAL BANK, the King taking it into his own hands, and paying off the proprietors, not with money, nor with bank notes, but with shares of the Company of the West, which he had reserved for himself, and now sold to them at the exorbitantly-advanced

* Dupont asserts that, in the height of the delirium, stock was sold so high as 18,000 and 20,000 livres a share. But such prices seem incredible, and are not supported by any other of the French authors whom I have had an opportunity of consulting. Their accounts of the

highest prices vary considerably ; and, indeed, it seems probable that, in the scramble and confusion of such irregular transactions, no registers of prices were preserved ; and if they were, they were burnt by the King's order in the year 1725.

price; a mode of payment, which, if the proprietors did not make haste to convert their shares into cash, turned out nearly the same as giving them nothing. The Bank being dignified with the title of ROYAL, and the Regent taking on himself the title of Governor of it, the collectors of the revenue were ordered to receive the notes in payment; and they were also made current by authority in all payments whatever, by which means, and by the establishment of branches of the Royal Bank in Lyon, Rochelle, Tours, Orleans, and Amiens, they immediately obtained universal circulation.

Law, fully satisfied with the successful progress of his SYSTEM, (a collective name for his complication of projects) prudently determined to limit the emission of bank notes to a thousand, or at most twelve hundred, millions of livres, which sum was estimated to be requisite for the circulation of the kingdom: and thereby he expected to draw into the Royal Treasury a quantity of real money sufficient to pay off every one of the public creditors who should be desirous of converting his paper into hard cash. But the imprudent conduct of the Government overturned this judicious plan by authorizing an emission of notes, which raised the total amount to *two thousand seven hundred millions*; and it was believed that many more were fabricated without authority.

In February 1720 the Regent, having discovered that neither he nor his Ministers were well qualified for carrying on the business of bankers, requested the Company of the Indies to take upon them the management of the Royal Bank, offering them, as a *douceur*, all the profits made by it since it belonged to the King. The Sieur Law, comptroller-general of the finances, was appointed inspector-general of the Company of the Indies and of the Royal Bank: and soon after the King declared that the Company's privileges should be *perpetual* and *irrevokable* by himself or any of his successors.

Some people expected vast advantages from the union of the Company with the Bank *, and the perpetuity of their patent. But the most discerning part of the Public saw it in a very different light: and, indeed, from this period may be dated the downfall of the *System*. The vast inundation of Bank paper, thrown all at once into the circulation, which was previously overloaded, began to lower its credit, and, together with it, the value of the Company's stock. Many people began to perceive that the Directors, instead of zealously and assiduously prosecuting rational plans of commerce and colonization, agreeable to the pro-

* So far is an union of the East-India Company with the national Bank, or any interference of their concerns, from being thought

advantageous in this country, that there is an express law against the same person being a Director of both.

fessed meaning of their patent, from which some beneficial returns might be expected, were only intent upon exchanging one kind of paper of no real value for another kind of as little value, and inventing deceptions for the purpose of blowing up their airy bubbles in order to strip the people of their property. They therefor became exceedingly urgent to get their paper converted into cash: but the Government, instead of wisely and readily complying with their demands, as was proposed by Law, which would soon have induced many of the claimants to rest satisfied with their paper, when they should see that it could be instantly changed into cash, most blindly ordered that gold should be entirely banished from commercial transactions, and that no person should keep above five hundred livres of metallic money in his possession; an order which, we may be sure, was generally disobeyed, in spite of informations and the odious domestic visitations of inquisitors, though some were terrified into obedience, and carried their money to the Bank. This arbitrary measure was followed by a succession of equally-arbitrary orders for the diminution of the real money, by the last of which the mark (eight ounces) of silver was coined into 82 livres 10 sous.

Next came an edict for reducing the value of Bank paper, which, when the Bank was in the zenith of credit, had borne a premium of one, and one and a half, per cent in exchange with cash, to one half, in order to put it on a par with the diminished real money; and for reducing the value of the shares to five ninths. The whole country was immediately thrown into confusion and misery. Every one was anxious to rescue what little he could from the wreck of his fortune, which, he now plainly saw, had no real foundation. Many families, who had long flourished in affluence, were utterly ruined. Law disappeared: and the splendid vision of re-establishing the public credit vanished.

The Company's stock at the termination of their career consisted of the following creations of shares of 500 livres each, which entitled the proprietors to annuities of 80 livres per share proceeding from the interest of the Government paper, the loan, &c.

First subscription	200,000	shares,	at par.	
Second	. . . 50,000	. . .	at 10 per cent premium.	
Third	. . . 50,000			} at 100 per cent premium.
Fourth	. . . 100,000			
Fifth	. . . 100,000			
Sixth	. . . 100,000			

Total . . 600,000 shares, representing *three hundred millions* of livres,

livres, but which probably cost those, who were actual stock-holders at the time of the stoppage, near *three thousand millions*, a sum impossible to be realized in gold and silver, but very easy to be negotiated in paper.

It is proper to observe that 100,000 of these shares had originally belonged to the King, and 100,000 had been reserved by the Company for the purpose of stock-jobbing; and both the King and the Company had sold their shares at exorbitant profits.

On the 26th of January 1721 the holders of the Company's shares, and Government securities of every kind, were ordered to submit them to the examination of a tribunal, appointed for the purpose of discriminating the honest and real proprietors from those who had obtained shares or Government paper by fraudulent means or stock-jobbing tricks. The result of the *visa*, or inspection, was, that of 2,696,400,000 livres in Bank notes, 703,327,460 were ordered to be burnt without any compensation; and the stock-jobbers were condemned to refund 187,893,661 livres. By these and other arbitrary operations the vast mass of the public debt was diminished without any payment. But it was not so easy to restore public credit in a country where the edict of an absolute Prince might violate it, whenever he should think it might suit his convenience.

The next step was the reduction of the Company's shares to a more moderate number, which was fixed in November 1721 at *fifty thousand*, but, on the representation of the Commissioners, was enlarged in March 1725 to *fifty-six thousand*. I have not found that any compensation was ever made to the many hundred thousands of stock-holders, whose property was thus annihilated by the sweeping command of arbitrary power.

The exclusive privilege of providing all France with tobacco had been farmed to the Company soon after their establishment, but afterwards resumed by the King on finding that it was neglected by them. He now restored the farm to them as a compensation for money due to them. At the same time he ceded to them, instead of payment of another debt, the Domain of the West, they taking upon them the charge of supporting the civil and military establishments. The King also, understanding that the Company's commerce was increasing, established regulations for their shares and dividends, and appointed their council, with Cardinal Du Bois for their President, who should hold their meetings at the India House in Paris. He soon after gave them the exclusive sale of coffee, from the profits of which and tobacco he directed them to make a dividend of 150 livres annually upon every share, independent of what they might gain by their foreign commerce. In February 1724, he moreover gave them

them the privilege of making lotteries for prizes of life annuities or shares of their stock.

In June 1725 King Louis the Fifteenth, being come of age, confirmed to the Company *for ever* their privilege of exclusive trade in slaves, gold dust, &c. from Cape Blanco along the coast of Africa to the Cape of Good Hope, and the sole trade of every kind from that Cape eastward to Cape Horn in South America, including all the coasts and islands of the Indian and Pacific Oceans, together with the property of Louisiana, the beaver trade of Canada, and the commerce of the coast of Barbary—in short, almost the whole world except Europe. He also confirmed anew to them the exclusive sale of tobacco and coffee, reserving with respect to the later the privilege of the city of Marseille, and binding them never to raise the price of it. The King commanded them never to interfere with matters of finance; and he revoked the grant of the Domain of the West and the privilege of lotteries. He also established many regulations respecting their stock, dividends, meetings, and other matters.

In the same month the King, having examined the state of the Company's affairs, and being desirous to promote the welfare of many antient families concerned in the stock, issued another edict, by which he gave them a discharge of all demands which might be made upon them on account of the Royal Bank; and he also cancelled many intricate old accounts, of which probably no accountant could ever have made a clear settlement. In order to conceal the names of all concerned, and as much as possible to draw the veil of oblivion over the national frenzy, he ordered that all papers and accounts belonging to the Company, and not relating to commerce, should be burnt.

It was only after the Company of the Indies were delivered, though with the loss of almost their whole capital, from all connection with financial legerdemain, that they could begin to be truly considered as a commercial Company. They made some efforts to cultivate Louisiana; and in the year 1722 New Orleans, which had been founded in the year 1717, and had hitherto been no more than a petty village, was enlarged, and made the capital of the province. Attention was also given to the other numerous branches of commerce comprehended in their privilege; and in the year 1725 there belonged to them 125 vessels of various kinds; but many of them very small.

We might suppose that the Company possessed a redundancy of capital about this time, as we find that they established a discount office ('caisse d'escompte') for the accommodation of the merchants of Paris and the Public in the year 1727, which was continued till the year 1759, and is said to have been

been so prudently conducted by the Syndics and Directors of the Company, that in all that number of years the only loss they sustained was one bill of 4,000 livres. [*Comte de Lauragais, Mem. sur la Co. des Indes, p. 60.*]

They seem not to have been equally fortunate in all the other branches of their trade ; or probably they became sensible that they had undertaken more business than it was possible to manage to advantage ; for in the year 1730 they begged of the King to accept their resignation of the exclusive trade of Barbary. He also resumed the farm of tobacco, reserving to them an annual revenue of eight millions payable out of it. In the following year they obtained the King's consent to take the province of Louisiana off their hands, which cost them much solicitation, besides paying 1,450,000 livres for the favour *.

They retained their beaver trade in Canada †, till that country fell under the dominion of Great Britain : and they retained the slave trade on the coast of Africa till the year 1741, though they sustained very great losses by furnishing slaves to the French colonists in America and the West Indies upon credit. They also peopled the Isles of France and Bourbon, and rendered them valuable possessions. But their principal object was the East-India trade. Pondichery, the seat of the Governor-general of their settlements in India, became a large, regular, and beautiful, city, containing 70,000 inhabitants, mostly natives. Under the administration of Orry in France, and of Dumas, La Bourdonnais, Bussy, and Dupleix, in India, their affairs prospered exceedingly, and they obtained considerable territorial possessions on the coast of India. Their trade was carried on to such an extent, and for some time with such brilliant success, that they excited the jealousy of the English and Dutch Companies. In the year 1734 their sales at L'Orient amounted to 18,000,000 of livres ; in 1740 they rose to 22,000,000 : in 1754 they reached 36,000,000, after which they were depressed by the war, which began then ‡.

* Raynal, after relating this transaction, says, ' Il est des empires où l'on vend également la droit de se ruiner, celui de se dé-livrer, et celui de s'enrichir, parce que le bien et le mal, soit public, soit particulier, peuvent y devenir un objet de finance.' [*Hist. phil. et polit. V. viii, p. 110.*]

† The trade in all other kinds of peltry and produce was free to all the subjects of France.

‡ The accounts given by some French writers, who were hostile to the Company,

state the amounts of the sales much lower : but, in their eagerness to depreciate the prosperity of the Company, some of them have omitted the imports from China and the Isles of France and Bourbon, and all the private goods imported by the officers and seamen of the ships. I am not, however, perfectly sure of the accuracy of the statements in the text, the accounts differ so widely.

From the commencement of that war may be dated the decline of the French Company of the Indies. After all their inferior settlements had been reduced by the British forces, Pondichery itself, then filled with the riches which had been carried thither from the other French settlements for preservation, was also taken in the year 1761; and the conquest of that important place may be said to have extinguished the dazzling prosperity of the French in India.

In September 1741 the King issued an arret, allowing all merchants, authorized to trade to the American colonies, to fit out vessels for the coast of Guinea on the terms prescribed by the arret of January 1716 for the Royal Company of Guinea, and on obtaining licences from the Company of the Indies.

Ever since the year 1723 the Directors of the Company were appointed by the King. It naturally followed, that they were generally profuse in their expenses, careless of the Company's interest, and immoderately attached to their own, which they often promoted by means not very honourable. Being desirous, however, of making the stock-holders believe that their affairs were very flourishing, they continued making dividends of one hundred and fifty livres upon every share of the original value of five hundred livres, agreeable to the King's direction, till the year 1746, when the embarrassments of the Government obliged them to reduce them all at once to seventy. In 1750 they were lowered to fifty, in 1759 to forty, and in 1764 to twenty. The Government had moreover appointed a Commissioner, and sometimes two or three, to controul the Directors; and their interference plunged the Company's affairs into inextricable confusion. The Company now ventured to represent to Government, that their misfortunes were entirely owing to the management of their affairs being taken out of their own hands, and that they must be totally ruined, if they were not relieved from the interference of Government.

In consequence of their representation, the King declared, in August 1764, that their affairs in Europe and beyond the Cape of Good Hope should in future be managed by themselves only, without any interference on the part of Government; and he recommended to them to act with wisdom and economy. But at the same time he desired them to submit the regulations, they should draw up for their government, to be inspected by him, and confirmed by patent. On this occasion he also made over to the Company, as some compensation for their losses and extraordinary expenses occasioned by the war, 11,835 shares, and an equal number of loan bonds, together with the dividends and interest due upon them, subject, however, to a number of pensions, which he had granted,
payable

payable out of them. He took upon himself the charges of sovereignty in the Isles of France and Bourbon, whereby the Company saved two millions annually, without any diminution of their exclusive privilege; and he relieved them from the expense of the port of L'Orient. He empowered them to make an addition to their stock by paying in four hundred livres upon every share; and he directed that the dividend upon each share should be raised to eighty livres, which should be independent of their commerce, and not be liable to be affected for any debt to be thenceforth contracted by them.

The Company immediately applied with great alacrity to the re-establishment of their commerce, the restoration of the forts and buildings of their settlements in India, and the construction of ships. In a few years their trade was so much revived, that their annual sales amounted to about eighteen or twenty millions, and in 1769 they rose to near thirty-seven millions. But, notwithstanding this appearance of prosperity, their stock was rapidly decreasing. When they entered upon the management of their own affairs, they found their debts amount to a much larger sum than they supposed; their expenses in repairing their buildings in India went much beyond their expectations; and, in consequence of the diminution of their influence in that country, the profits of their sales fell much below those of former times, while the charges of their government amounted to double the sum they had been estimated at. In this state of their affairs they gave licences in the year 1768 to fifteen private ships to sail to India.

In the year 1769 the Government desired to see a state of the Company's affairs, by which it appeared that they were bound to pay every year

Dividends of 80 livres on their shares, the number of which

was now reduced to 36,920 $\frac{6}{7}$	. . . . .	£2,953,660
Interest of money borrowed, &c.	. . . . .	2,727,506

Amount of permanent payments	. . .	£5,681,166
and annuities for lives amounting to	. . .	3,074,899

the whole yearly payments being then	. . .	£8,756,065
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On the 13th of August 1769 the King suspended the Company's exclusive privilege till he should give further orders, allowing the government of the stations and factories in India to remain in their hands, and their affairs to be managed, as before, by their Syndics and Directors. He permitted all his subjects to send their own ships to the countries beyond the Cape of Good Hope,

upon applying to the Secretary of State for the marine and to the Directors of the Company for passports, which should cost them nothing; and he ordered them to bring all their homeward cargoes to the port of L'Orient, and there pay such duties as he should afterwards determine.

By another edict, issued a few days after, the duties were fixed at five per cent on India and China goods, and three per cent on those of the Isles of France and Bourbon, to be computed upon their value in France; and the merchants had the option of disposing of their cargoes either by public or private sale.

The Company soon after held a general meeting for the purpose of considering, whether it would be most for their interest to dissolve their partnership. A considerable number of the greatest proprietors, at the head of whom was M^r Panchaud, proposed to pay off their debts, give up their commerce, and establish a Bank of discount (*'Caisse d'escompte'*), by which means they hoped to preserve their capitals. On the other hand, the celebrated M^r Necker (who was afterwards Comptroller-general of the finances), and all the bankers, voted for preserving the Company, and even continuing the commerce by means of borrowed money, which, they affirmed, there would be no difficulty in obtaining. A third party, offended by the despotic conduct of the Government, were anxious to have their affairs wound up as quickly as possible, and the Company dissolved entirely.

After much controversy, the Company determined to make an offer to the King of surrendering into his hands all their vessels, consisting of twenty-eight ships from 900 to 1200 tons, and two snows, with all their naval and military stores, their forts and warehouses in India and France, together with 2,450 slaves belonging to them, for the sum of thirty millions of livres; and at the same time they requested payment of sixteen millions and a half of livres due to them by the King. By an arret dated in January 1770 the King accepted their resignation: but, instead of paying them the money they asked, he settled upon them, as a full compensation for all their claims, an annuity of one million two hundred thousand livres; which, reckoning interest at five per cent, and supposing the payment perpetual, unless redeemed, would represent a capital of only twenty-four millions: and with that kind of settlement they were obliged to be contented.

The Company soon after entered into another contract with the King, by which they made over to him all the debts due to them in India and Europe, all their merchandize and property of every kind, except their capital stock with
the

the funds appropriated for their dividends, and their privilege as a Company: and the King took upon himself the payment of every demand upon them for debts, annuities, pensions, halfpay, &c. After these, and some other arrangements unnecessary to be detailed, the partners from April 1770 became merely proprietors of annuities payable by the Government, and preserved the appearance of a Company only by their establishment of Directors and clerks, and the ceremony of granting licences to private merchants to fit out their ships for India.

A radical fault in the original constitution of this Company was, that the proprietors held their shares, not by their purchases being entered in the Company's books, by which their names and the amount of their stock could be known, but merely by the possession of billets or tickets, each of them entitling the bearer to the benefit of a share in the Company's stock. A very great number of persons, connected by such a slender bond of union, could scarcely ever act together with harmony and effect for the general good of the society, nor attempt to remove the veil of mystery under which their affairs were concealed by managers, independent of themselves, and generally under the influence of Government, being, in fact, scarcely any more associated, or known to each-other, than the proprietors of exchequer bills or India bonds are in England*.

As soon as the India trade was laid open, a great number of merchants rushed into it. They sent their ships to China, India, Persia, the Isles of

* It was usual to borrow shares for the purpose of showing them as admission tickets, in order to get access to the meetings of the Company. I say nothing of the danger the proprietors of such paper ran from fire, robbery, or accidental loss. The proprietors of the national debt of France held their property by the same dangerous tenure. Let us listen to the observation of the judicious Necker upon this subject.

‘ La nature de l'action, c'est à dire sa forme d'effet payable au porteur, en cachant continuellement son propriétaire, ou du moins en ne donnant aucun moyen de le reconnoître, n'a jamais permis aux actionnaires de contribuer par leur surveillance et leurs conseils au bien de leur société; une fois sortis de l'assemblée générale qui se tenoit chaque année, ils ne pouvoient être reconnus, ni par

‘ conséquent écoutés; et dans ces assemblées mêmes l'avis d'un simple porteur d'action ne pouvant pas être distingué de celui d'un véritable propriétaire, le vœu de la propriété ne peut jamais être connu avec certitude.

‘ La facilité avec laquelle on pouvoit emprunter des actions ne permettoit pas non plus de s'assurer de la propriété des Administrateurs; et enfin, le regime d'administration, qui soumettoit la conduite de la Compagnie à un Commissaire du Roi, s'opposoit à l'esprit d'économie, ou du moins ne l'entretenoit pas, parce que l'homme qui représente le Gouvernement n'a aucun motif pressant pour veiller sur une économie qui dans plusieurs circonstances est moins importante pour l'état que pour la propriété des actionnaires.’ [*Reponse au Memoire de M. l'Abbé Morellet, p. 29.*]

France

France and Bourbon, and the east coast of Africa. The last was the destination of the greatest number; for the keenest partisans of the unbounded liberty of commerce felt no scruple of conscience in depriving people of their liberty, who were guilty of having black skins and woolly hair, in whatever part of the world they could be found; and on the east coast of Africa slaves could be bought cheaper than on the west coast, where the competition of the traders of various nations had raised the price of human flesh. It was asserted that one hundred and fifty vessels were fitted out from the different ports of France (ninety-nine of which sailed in the year 1785) for the east coast of Africa for the slave trade, and that they carried twenty thousand slaves to the French part of the Island of Saint Domingo. The tragical consequence of so great and sudden an importation of vindictive slaves in that devoted island holds out an awful warning to the owners of slaves and the advocates for slavery in all parts of the World.

With respect to the success of the private traders to India and China, we are perplexed with the same extremes of contradiction, which we found in the statements of the open trade in the early part of the eighteenth century. On the one hand we are told that two hundred and fifty-five vessels sailed from the ports of France for the east coast of Africa, the Isles of France and Bourbon, and various parts of India, between the year 1780 and 1785*; that most of them made very successful voyages; and M^r Rabaud of Marseille is particularly celebrated for the extent and prosperity of his trade to India, for which he fitted out five ships in the last two years.

It was affirmed, on the other hand, that those, who made good voyages, were indebted for their success to particular or temporary causes, some of which were unconnected with the national commerce, particularly their obtaining in their first, and most successful, voyages the goods, which had been procured in the country for the Company's trade, their acting as agents for merchants in Geneva, Neufchatel, &c. and more especially to the circumstance of their being employed by many people in the service of the English East-India Company to convey their property to Europe, in which transactions the owners of the ships were only the carriers and agents for the merchandize which made the greatest part of their sales; that the most of those who had

* An advocate for the private traders stated the whole number of vessels which sailed for India, China, the Isles of France and Bourbon, at 340, of the total burthen of 148,945 tuns. [*Memoire relatif a la discussion du privilege de*

la Compagnie des Indes, 1787, p.27.] The Abbé Morellet, who distinguished himself as the champion for open trade in the year 1769, is understood to have also compiled this *Memoire*.

not that precarious foreign support, and all those who pushed into new or unusual channels of trade, such as Persia, &c. made losing voyages, or were completely ruined, as was the case with Messieurs Law, Chevalier, Rothe, Amiraux, Boffé, Darriyat, who failed for eighteen millions of livres, and many others.

Raynal [*V. ix, tab. dernier*] has given an account of the *public* sales of the goods imported by the private merchants from India, China, and the Isles of France and Bourbon. They amounted to 10,336,504 livres in the year 1771, and continued generally increasing till 1777 when they reached 27,509,764, but fell off in 1778 (the last year of his account) to 14,026,194. The *Memoire a consulter pour les negocians*, published in 1786, p. 28, states the sales of the same years higher; and the author of the *Memoire de la Chambre de commerce de Guienne*, p. 18, says that the highest sale during the open trade was in the year 1776, and states the amount of it at 32,800,000 livres, wherein he includes the sales by private contract, most probably by random estimate, as may be presumed from the round number, and certainly not undervalued, his object being to magnify the private trade and depretiate that of the Company. After the beginning of the war, in which France engaged for the support of the American revolution, the sales fell off almost to nothing, and in the year 1781 absolutely nothing.

The King, seeing the India trade, which was relinquished by the Company, also abandoned by the private merchants, was obliged to become a merchant himself; and in February 1783 he dispatched a ship for China on his own account. But he invested only three millions of *borrowed money* in this commercial adventure.

The King, knowing that the cargo of his own ship must be very inadequate to the supply of the kingdom with China goods, issued an order on the 21st of July 1783 for the creation of a new COMPANY OF CHINA; and he directed that their capital should be divided among the principal sea-ports in the following proportions.

The merchants of Marseille should subscribe for 400 shares;

Those of	Bordeaux	.	.	.	320
	Rochelle	.	.	.	80
	Nantes	.	.	.	140
	Saint Malo	.	.	.	90
	L'Orient	.	.	.	90
	Havre de Grace	.	.	.	80

The whole being 1,200 shares

of 5,000 livres each, and forming a capital of six millions. He moreover gave them abundance of directions, as usual, for keeping their accounts, and upon other points belonging to the internal regulation of their affairs.

The capital stock was immediately subscribed by the merchants in the several ports, who all formed only one Company ; and the King lent them three ships of from 1200 to 1500 tuns, which were immediately fitted out for China by the Company, and returned home in the year 1785. On making up the accounts of the sales of the goods imported by them, it was found that the expedition had upon the whole produced neither profit nor loss worth mentioning ; and thence the Company, consisting of people unacquainted with the trade of India or China, had little encouragement to proceed in further adventures, though they had not been superseded, as they were very soon after their creation.

The King, without giving himself time to see the result of the experiments, as they might be called, of his own trade and that of the new China Company, determined, before any of the ships came home, and notwithstanding the reclamation of the suspended, or dormant, Company of the Indies, and the representations of the private merchants, to establish a new Company. By his arret, dated 14 April 1785, he declared, that, having examined the accounts and state of the India trade, he found, that competition, however beneficial it might be in other branches of trade, was very detrimental in this one ; that the European goods, being ill assorted, and in quantities disproportioned to the demand, had been sold under their value in India ; that the competition of the merchants had enhanced the prices of the goods bought in India ; that the excessive quantities of some kinds, and the total want of others, rendered the imports unprofitable to the merchants, and inadequate to the demands of the kingdom. Considering that these evils proceeded from a want of concert among the merchants, and the impossibility of individuals being able to support the outlay and risks of so distant a commerce, he was convinced that the trade with India and China could be carried on to advantage only by a privileged Company. Therefor he ordered the old Company of the Indies to confine their attention to the settlement of their affairs, and conferred on a NEW COMPANY OF THE INDIES for seven years, to be computed from the sailing of their first ships, and not including years of war, the privilege of exclusive trade to all the countries and islands to the eastward of the Cape of Good Hope, except the Isles of France and Bourbon. To these islands all French subjects might trade, and import from them the produce of their soil, but no India goods. The inhabitants of the islands might trade, in vessels belonging to themselves, and provided with a passport from the New Company
for

for each voyage, to the several ports of India, but not to the Red Sea, China, or Japan. But no European goods might be carried from the islands to India, nor any India goods from them to Europe or America, in any vessels whatsoever. No French vessels returning from those islands, excepting those owned in them, were permitted to take onboard Negro slaves in any part of Africa. The Company's capital was declared to be twenty millions *, divided into twenty thousand shares of one thousand livres each. The direction of their affairs, and the appointment of all officers of every description in their service, were vested in twelve Administrators, approved of by the King ('agrées par sa Majesté'), each of them being subscribers of five hundred shares in the capital stock; and the remaining fourteen thousand shares were left open, to be subscribed by the Public at large. The Administrators were required to make up a state of the Company's affairs every year for the inspection of the Comptroller-general of the finances, which should also be a guide to themselves in fixing the dividends to be paid to the proprietors. The King gave them gratuitously the use of a house in Paris, all the warehouses, dock-yards, rope-walks, &c. necessary for their accommodation in L'Orient, and all the forts and factories in his own hands in India, to be possessed by them during the term of their privilege. He promised to protect them by force of arms, if necessary; to provide their ships with officers and seamen, and to get them exchanged, if taken by an enemy. He moreover granted them all the exemptions and favours bestowed upon the old Company respecting their imports: and he ordered that all goods imported from any place beyond the Cape of Good Hope into France, either by the Company, or by private ships from the Isles of France or Bourbon, should be landed at L'Orient, and there sold at the Company's public sale.

The fourteen thousand open shares were immediately engrossed by the monied speculators of Paris, which made the merchants of the sea-ports complain very bitterly, that they could not obtain a share without paying at least eighteen hundred livres for it. This gave rise to a paper war, in which the closet philosophers, who manage the affairs of the World by their systems, and regulate commerce by their calculations, who find no difficulty in creating ships, men, merchandize, sales, and millions of money, by the dash of their pens, did not fail to bring their often-confuted arguments and assertions again upon the field.

In July the Company obtained another arret, strictly prohibiting all French subjects from purchasing from foreigners any East-India goods, or any foreign cotton goods of any kind, except those destined for the African slave trade. Those who had such goods in their possession, or had already ordered them

* Only £838,888. 17. 9. sterling.

from foreigners, were allowed till the 10th of August 1786 to dispose of them, or send them out of the kingdom. For the encouragement of the calico-printers, the Company were authorized to purchase cotton goods from foreigners for the supply of the print-fields, till their own imports should be sufficient to answer the demand; and they were obliged to sell India-painted calicoes for exportation only, the use of them in France being strictly prohibited.

The King made over to the Company the ship *Dauphin*, which he had sent to China on his own account; and, intending that they should be a body purely commercial, he relieved them from the cares and expenses of sovereignty in India by taking them upon himself.

The Company immediately made a sale at L'Orient of the cotton goods they had bought at Copenhagen and elsewhere, together with the goods imported from India by the private merchants, which amounted to above ten millions, and gave satisfaction to the buyers.

In March and April 1786 the Company fitted out eight ships for India and China, which cost them above eighteen millions. They resolved to fix the chief direction of their affairs in India at Pondichery, and to settle factories at Karical, Palicat, Masulipatnam, and some other places on the coast, all under the direction of the Presidency at Pondichery*.

In October 1786, the *Dauphin* having returned from China, and several private traders having arrived from India, the Company made a second sale, in which, as in the former, there were some goods bought of the foreign Companies. The amount was somewhat above twenty-four millions; and the buyers, who came from all parts of the kingdom, were now also well pleased with their purchases, the goods bought in Europe being found very advantageous in completing the assortment, to the great emolument of the private traders, whose imports stood much in need of such an assistance.

The Company now dispatched a second fleet consisting of ten ships, of the burthen altogether of 7,000 tuns, the outfit and cargoes of which cost nineteen

* This Company imitated the very erroneous conduct of their predecessors (observed above, p. 277) in having no register of the transfers of their stock, and consequently no list of proprietors. The following is a translation of one of the billets, or certificates, by which the property of their shares was held, and by the delivery of which to the purchaser it was transferred.

N^o. COMPANY OF THE INDIES,
established by decree of the Council, 14th April
1785.

The bearer is interested in the Company of the Indies for one share of the value of one thousand livres

At Paris the day of
agreeable to the resolution of the General Court.
(Signed by the Cashier and three Administrators.)

millions.

millions. To defray this expenditure, they obtained an arret on the 21st of September 1786 for adding *twenty millions* to their capital stock, and extending the duration of their privilege to fifteen years. The new stock was mostly subscribed for by the monied men of Paris, which was a misfortune to the Company; as people, residing in an inland and uncommercial city, could not be expected to know any thing of maritime affairs, or to understand the principles of foreign commerce, especially of India commerce, which requires, more than any other, to be conducted in a regular routine, and by people who have acquired experience from long practice. The acquisition of almost the whole of the new stock by people of this description was also prejudicial to the Company in another respect, as it gave the merchants of the sea-ports a just cause of fresh resentment and complaint against such an abuse of the exclusive privilege, as debarred them from obtaining any participation of it, except by paying an enormous advance to those capitalists. It was another unfortunate circumstance for the Company, that about this time the spirit of gambling in the national debts and the stocks of public Companies had revived in France to a most dangerous and alarming extent. The Abbé d'Espagnac and his confederates formed a scheme for getting into their own hands the whole stock of the Company of the Indies, at whatever price, in order to command a resale on their own terms. Commercial affairs could not prosper in the hands of a Company (if daily successions of new stock-holders could be called a Company) who purchased shares without any view to the benefits arising from the trade, but merely in order to sell them again at an advanced price.

Ever since the establishment of this Company the private merchants had kept up a continual outcry for the unlimited freedom of trade; and they persisted in demanding licences from Government for their ships, though they were constantly refused. Those, who had been concerned in smuggling East-India goods into the kingdom during the abandonment of the trade, also joined in the cry, and employed a lawyer to draw up a memorial against the Company. But they could not then make any impression upon the King or his Ministers; and impartial men perceived in their representations much more of the clamour and resentment of disappointed fraudulent dealers than of the judicious argumentation of true patriots.

The opponents of the Company were not to be easily repulsed. They steadily persisted in demanding the abolition of the Company, whom they called (and indeed not without reason) rather an association of stock-jobbers than a Company of merchants; and they found means to get their memorials presented to many members of the Assembly of Notables, who met in the year 1787. At a

time when the minds of the people of France were tending rapidly to the revolution, which not only overturned the antient government of that country, but has also, in its consequences, given a new face to the continent of Europe, the King was obliged to pay attention to every claim supported by the cry of liberty: and in October 1787 he sent eight Commissioners to a general meeting of the Company to examine their accounts. In 1789 he sent a message to the States-general by his Minister, requesting them to consider the question of the national advantage or disadvantage of conducting the India trade by means of a privileged Company, for which purpose he had ordered all the papers necessary for throwing light on that important subject to be laid before them; and at all events recommending to them to take due care of the interest of the proprietors of the stock.

It is not to be wondered at, that the French, in the very crisis of emancipation from the galling fetters of despotism, should have run to the opposite extreme, and supposed that, in order to enjoy perfect liberty, they had only to demolish whatever had the least appearance of restraint, however salutary. On the 20th of March 1790 a committee of the National Assembly gave their opinion, that the Company should be abolished, and the commerce with India be free to individuals, the Company remaining in possession of their privilege till January 1792. There were many debates* on the same subject in subsequent meetings: and finally at eleven o'clock at night, on Saturday the 3d of April 1790, the National Assembly, consisting at that late hour of less than half their due number, passed a decree that all French subjects might freely navigate the seas beyond the Cape of Good Hope, which was sanctioned by the King's proclamation on the 3d of May.

Such was the final catastrophe of the French Company of the Indies, which, with several revolutions and interruptions, and several vicissitudes of prosperity and adversity, had in some degree subsisted near two centuries. Penury of capital, stock-jobbing, want of capacity and commercial knowledge in the administration, and the perpetual interference of Government in the management of their business, seem to have been the principal causes of the frequent derangements of their affairs, and to have concurred with the circumstances of the times to effect their dissolution.

* In one of them it was proposed to put fourteen or fifteen of the King's ships of 50 to 64 guns into the service of the private traders to India, upon freights 15 per cent lower than

those paid by the English and Dutch Companies, in order to have a respectable naval force in the Indian seas in case of a war.

THE COMMERCE OF THE DANES WITH INDIA.

ABOUT the year 1612 Christiern the Fourth, King of Denmark, is said to have given a charter to a Company for trading to the East Indies. Their capital consisted of two hundred and fifty shares of one thousand rix-dollars each. The Company recommended to their officers to obtain a settlement upon the coast of India by fair purchase, and carefully to avoid having any disputes with the natives, or the European traders. When their people arrived on the coast of Coromandel in the year 1616, they were kindly received by the Rajah of Tanjore; and they entered into a treaty with him for the village of Tranquebar, with a district adjacent to it, and also permission to erect a fort upon it, for which they agreed to pay an annual rent of two thousand pardoes*, or pæroons.

Such is the origin of the Company, and of their first settlement in India, according to some, who have professedly written upon the subject. [*Commerce des Danois aux Indes*, p. 31.] Others give the following account of the matter.

Boschhower, a merchant in the service of the Dutch East-India Company, having gained the favour of the Rajah of Ceylon, was persuaded to take up his residence in that island, where he married a woman of high rank, with whom he received a great territory, and the title of Prince of Mignonne. The Rajah afterwards sent him to Europe, as his Ambassador to the States-General, to solicit their protection against the oppression of the Portuguese: and he also authorized him to treat with any other European Power, in case he should not succeed with the Dutch. Boschhower, thinking himself neglected by his own countrymen, applied to the King of Denmark, who accepted his proposals, and sent three ships, with a proper force, to conduct him to Ceylon, which were accompanied by other three belonging to the Company. Unfortunately for the success of the expedition Boschhower died upon the passage; and Giedde, the Commander of the King's ships, having got into some dispute with the Rajah of Ceylon, abandoned the enterprise. Crape, the commander of the Company's ships, thereupon sailed for the coast of Tanjore, where he agreed with the Sover-

* A pardoe is equivalent to four shillings. [*Purchas's Pilgrimage*, p. 636.]

eign of that country for permission to make a settlement, which is believed to have been that of Tranquebar.

Probably the truth of the matter is, that the whole, or a part of the forces, intended to act in Ceylon, were landed at Tranquebar, and the reinforcement, being more numerous than the original settlers, have come to be considered as the founders of the settlement, as has happened in similar cases in other countries and in various ages: and it is not improbable that the original Company may have been an unchartered association till the year 1618 *.

The town of Tranquebar, protected by the adjacent fort of Dansburg, soon began to make a respectable appearance. Many of the natives, induced by the advantage of the trade, and the kindness and justice, wherewith the Company's agents treated people of all descriptions, with whom they had any transactions, became fixed inhabitants: and the ships of various nations resorted to the port, where they were allowed to trade upon liberal terms. By such conduct the Danish factory acquired the goodwill and the confidence of the people of India; and their trade, which was extended to the Moluccos, China, and other countries, became very flourishing. They had also some factories on the coast of Malabar and in Bengal, and one at Bantam, all which were under the direction of Tranquebar.

Their prosperity was not of long continuance. Their Sovereign got himself involved in a long and bloody war, which deranged the Company's affairs, and prevented them from dispatching their ships with due regularity. Their servants in India appear, however, to have conducted their affairs with great prudence, according to circumstances. The Company's capital not admitting extensive speculations in commerce, nor powerful armaments to protect them in time of war, they traded from port to port in India, and even took goods belonging to the Moorish merchants on freight. When the profits accumulated to a sufficient sum to load a ship for Denmark, they dispatched one; though, in the reduced state of their trade, they were able to do so only once in two or three years.

But this languid state of the trade, and their slender capital, amounting in the year 1624 only to 189,616 rix-dollars, could not enable the Company to pre-

* This appears probable from the answer of King Frederick the Fourth to the British and Dutch Ambassadors in the year 1728, and also from one of the arguments adduced by the

Dutch Company to persuade the English Company to an union with them. See above, p. 99.

serve their commercial existence ; and King Christiern the Fourth had the mortification to receive a surrender of their property into his hands in payment of a debt due to him. Notwithstanding the misfortunes of the original founders of the East-India trade, their servants in India, by their prudent management, appear to have preserved the possession of Tranquebar, and perhaps some of the inferior settlements, though the Rajah of Tanjore, their landlord, observing their enfeebled state, was frequently very troublesome to them by cutting off their communication with the country, and other acts of hostility. He even entered into a negotiation with agents from the Dutch Company in the year 1689 to put Tranquebar with its adjacent district into their hands, in consideration of 50,000 pardoes to be paid to him. In consequence of this bargain he kept the place closely invested with an army of above thirty thousand men, till he was driven away by a detachment of the English Company's forces sent from Madras, after he had continued the siege for six months.

In November 1670 King Christiern the Fifth gave a charter to a new Company for the trade to India ; and he presented to them some vessels and other property, valued at 97,073 rix-dollars, in addition to which they subscribed 162,800 crowns. Of the transactions of this Company little is known. On the 29th of October 1698, they got a new charter, by which they became bound to make certain payments into the Royal treasury.

The suppression of the East-India Company of Ostend, which, after long negotiations, was effected by the strong remonstrances of the British and Dutch Governments, was expected to be a means of giving new vigour to the exertions of the Danish Company, Josiah Van Asperen, a member of that Company, having found means to persuade King Frederick the Fourth, that the ruin of the Ostend Company was a circumstance very favourable for the Danish East-India trade, which might now be augmented and improved by the stock and knowledge of their members and officers, and that the objection made by other nations against their establishment could by no means be urged against a Company, who had already existed above a century.

The King thereupon issued a charter in April 1728, by which the Company were empowered to assume new partners, subscribing for shares of one thousand rix-dollars each, whom he united with the old members in a full participation of all rights and privileges ; and he prescribed the mode of adjusting the accounts of the old and new members.

The King thought that the subscription for new shares would be promoted by establishing an India house at Altona, a town adjacent to Hamburgh, and belonging to Denmark. But this measure was regarded by the English and Dutch

Companies

Companies as little less than re-establishing the Ostend Company: and the British and Dutch Ambassadors at Copenhagen were instructed to request that the King would continue the Danish East-India Company in their original state. The King answered, that he had not erected a new Company, but only confirmed the privileges of a Company, who had subsisted above a hundred and ten years; and that he was not restrained by any treaty from promoting the commerce of his subjects in every part of the world, but bound by his duty, as their Sovereign, to advance their prosperity by every means in his power.

The jealousy of the foreign Companies opened the eyes of the Danish people, who did not before see it, to the advantage likely to ensue to the adventurers in the East-India trade, when conducted on a proper scale, and induced great numbers to subscribe. The King thought proper, however, to shut up the house at Altona.

On the 12th of April 1732 King Christiern the Sixth gave the Company a new charter, confirming to them, for the term of forty years, the privilege of exclusive trade to all countries beyond the Cape of Good Hope as far as China, under the name of THE ROYAL DANISH ASIATIC COMPANY.—They, and their representatives, are empowered to make alliances and treaties, in the King's name, with the Princes of India, and, in cases of necessity, to defend their rights by force of arms.—They are confirmed in the possession of the castle of Dansburg, the town of Tranquebar, and its territory, with power to erect forts, comptoirs, and factories, they maintaining the garrison, and paying the rent due to the King of Tanjore.—The ships and merchandize of the Company shall never be detained or arrested upon any account whatever, either in time of peace or time of war.—Their transactions shall be entirely free.—The money invested in their capital, or drawn out of it, and carried to foreign countries, and money lent to them, shall be exempted from all taxes and confiscations, even though it may belong to the subjects of Powers at war with Denmark. The paper used for their contracts and other transactions is exempted from stamp duties.—All kinds of merchandize and stores, required for equipping and victualing their vessels in Denmark or in India, are exempted from all duties of customs, excise, and Ore sound, and all other taxes upon importation and exportation, whether in Danish or foreign vessels: and the Company's own vessels are exempted from all harbour dues, lastage money, and other charges, except one hundred rix-dollars for each ship returned from India.—The Directors shall give in an attested account, extracted from their books, of all merchandize imported by them from India, with the amount of their proceeds at the public sale; agreeable to which there shall be paid a duty of *one* per cent on the value of all such merchandize
exported

exported to foreign countries, and *two and a half* per cent on what are consumed in the Danish dominions. Moreover the India goods exported shall be exempted from the duties of the Sound for the first ten years.—All foreigners in the service of the Company shall enjoy the privileges of Danish subjects.—The Directors may borrow money at interest for account of the Company.—The members of the Company may make regulations for the regular and upright administration of their affairs, and the general advantage of their commerce.—They are empowered to chuse as many Directors as they think necessary. The Company shall chuse persons of piety, good morals, and learning, for their ministers, who shall be confirmed by the King.—As an acknowledgement for the Royal favour, the Company are required to carry in each of their ships, outward and homeward, three bales, or packages (of a limited size) free of any charge for freight, and the King engages to put them onboard without delay or expense to the Company.

The Company, in order to give the partners the liberty of taking more or less concern in their enterprises, divided their capital stock into two parts, called *fixed capital*, and *circulating capital*. The *fixed capital* consisted of shares of 250 crowns, and was employed in the purchase of the property of the old Company in Europe and India. The *circulating capital* consisted of money advanced by the partners, and was more or less, according to the number of vessels to be loaded and fitted out in the course of the year, so that any partner might decline being concerned in the voyage of any particular vessel *, in which case another was at liberty to take the portion so resigned by him, and to share the profit or loss, when the accounts of that vessel's voyage should be made up.—In order to enlarge the fixed capital, which was considered as the Company's main dependence, it was agreed that a tenth part of the produce of the sales, and a rate of five per cent on all goods shipped at Tranquebar, should be constantly added to it, subject to a certain proportion of the charges of trade.—No vessels built in Europe should be sent out to remain in India; but vessels, built of Indian timber, might be used for the country trade. If, however, an European ship should lose the proper season of returning to Europe, she should be sent on a trading voyage in India, in order to keep her in employment.—The Company should have five Directors, possessing four shares each in the Company's stock, who should have salaries of 500 rix-dollars each: except that in any year in which no vessel sails or arrives, they should have no salary. There should also

* None of the partners ever availed himself of this liberty of declining any particular voyage.

be five assistant Directors, having each two shares, with salaries of 100 rix-dollars each, except as above.—The strictest attention should be paid to the morals of the people sent out to India in the Company's service, and those who recommend them must declare upon their honour that they believe them to be persons of good character. No money should be lent or borrowed without the consent of a general meeting of the proprietors.

In the year 1744 the Company divided each of their 400 shares into four parts, making 1600 shares, each of which gave a qualification for a vote in the management of their affairs. The fixed capital continued to increase, and in 1755 the original share of 250 crowns had increased to 1500, or 375 crowns for each of the 1600 shares.

In the year 1755 the Company re-established their factory at Chinsura in Bengal, and settled a small factory in the Nicobar islands, which, being found not sufficiently productive, was afterwards given up. They had also some small settlements on the Malabar coast, from which they drew a supply of pepper. Their trade with China was managed by supercargoes, who sailed and returned with the ships to which they were attached.

From the year 1733 to 1753 the Company dispatched

to India	.	.	.	.	.	.	.	28 ships.
to China	.	.	.	.	.	.	.	32
								<hr/>
								60

Of these there were lost	.	.	.	13
returned from India	.	.	20	
and from China	.	.	27	
				<hr/>
				60

From 1754 to 1764 there arrived from India	.	.	14 ships.
from China	.	.	18
			<hr/>
			32

In 11 years, 1753 to 1763 inclusive				Rix-dollars.
the sales produced	.	.	.	11,015,083
The outfits cost	.	.	8,152,108	
and the profits amounted to	.	.	2,862,975	
			<hr/>	
			11,015,083	

The dividends were regulated according to the profits made in each year, after setting aside the portion appropriated for the augmentation of the fixed fund, and keeping a sufficient sum in reserve to answer unforeseen exigencies ; and consequently they were very irregular.

In April 1772 the Company's charter expired, and they obtained a new one, but only for the term of twenty years. The Company continued by this charter to enjoy the exclusive trade to China, as before. But the trade of all other parts of the Indian seas was put upon a new footing. Any Danish subject, and even any foreigner, may trade to India on his own account, if he employs Danish-built vessels, exports a certain quantity of Danish manufactures, and pays the Company two per cent on the value of his outward cargo, and eight per cent on his returns. Individuals may also engage in the country trade in India, paying two per cent on the value of European goods, and four per cent on those of Asia, in the Danish ports in India *. The Company are obliged to export certain quantities of Danish manufactures in every vessel : and all their imports, whether for home consumption or exportation, pay a duty of two per cent, except silk goods and coffee, which are rated higher, in order to encourage the home manufacture and the cultivation of the Danish West-India Islands.

The Company, having experienced some inconvenience from the division of their capital into two separate stocks, now united them into one ; and they made a further division of their shares, splitting every one into three, which brought the number to 4,800, which was done for the sake of rendering them more saleable †. They established four factors at Canton to do the business which had hitherto been transacted by the supercargo of each ship. At home they abridged the excessive credit of several years, which they had been accustomed to give to the buyers at their sales, whereby they were obliged to be constantly in debt for money borrowed to carry on their trade : and they also made several improvements in their internal management.

In the territory of Tranquebar about thirty thousand of the natives lived under the government and protection of about three hundred Danes, and contributed a revenue sufficient to defray all the expenses of government. In

* ' Si, comme on n'en sauroit douter, la cour de Copenhague n'a fait ces arrangements que pour donner de la vie à ses comptoirs, l'expérience a dû la convaincre qu'elle a été trompée.' [*Raynal, Hist. phil. et pol. V. iii, p. 16.*]

† Surely the method used in this country of selling any number of pounds of the capital, which the buyer and seller agree upon, is much more convenient.

process of time abuses were introduced in the administration : the revenue fell off, and the expenses increased : trade languished, and the Company's factors, unable to make advances to the manufacturers, agreeable to the universal practice of India, were obliged to purchase their goods at an advance of 25 or 30 per cent. In order to remedy this evil, the Company resolved to keep a sum of money employed in India, no part of which should be drawn home for at least ten years, during which the profits made upon it, should also be added to the capital. The state of affairs at Tranquebar was soon greatly improved : new beneficial regulations produced a happier and more economical management of the police and the revenue, which was further augmented by the acquisition of an addition to the territory.

In consequence of these improvements in the state of the Company's affairs, their stock sold in the year 1775 at from 25 to 30 per cent above par, while their dividends were about ten per cent.

We have seen that the greatest number of the Company's ships went to China. Their homeward cargoes consisted chiefly of tea, the greatest part of which was sold to people, who smuggled it into Great Britain, in which the consumption of tea is more than three times as much as is consumed in all the continent of Europe. The commutation of the heavy duty upon tea, which was enacted by the British Parliament in August 1784, gave a severe blow to the continental East-India Companies, but more especially those of Denmark and Sweden, whose trade was in a great measure supported by the fraudulent importations of tea, and along with it many other articles of Indian merchandize, into Great Britain *. Notwithstanding this check, their dividend in the year 1797 was twelve per cent. They had at the same time about £30,000 sterling remaining in their treasury, after making their dividend ; and they had great hopes, that their neutrality, during a war in which almost every other nation in Europe was involved, would render their affairs eminently prosperous.

But they were not long allowed to indulge in these pleasing hopes. In the year 1807 Denmark ceased to be a neutral country, in consequence of which the Danish Company were deprived of their settlements in India, and several of their ships were taken. Under the pressure of these disasters the Company's trade has been suspended.

* It will appear by the subjoined account of tea imported from Canton, that the ships dispatched to China after the commutation act

was passed, were not near so numerous as before.

The following is an Account of the number of ships loaded at Canton in China, and the quantity of tea shipped, for account of the Danish East-India Company, since the year 1767.

Season.	Ships.	Tea, lbs.	Season.	Ships.	Tea, lbs.
1767 - 8	. . 2	3,010,286	1787 - 8	. . 2	2,664,000
1768 - 9	. . 1	1,430,874	1788 - 9	. . 2	2,496,800
1769 - 70	. . 1	1,449,306	1789 - 90	. . 1	1,773,000
1770 - 1	. . 2	2,800,482	1790 - 1	. . 1	520,700
1771 - 2	no account.		1791 - 2	. . 0	
1772 - 3	. . 2	2,999,600	1792 - 3	. . 1	852,670
1773 - 4	. . 2	8,867,300	1793 - 4	. . 0	
1774 - 5	. . 2	3,237,300	1794 - 5	. . 1	24,670
1775 - 6	. . 2	2,833,700	1795 - 6	. . 0	
1776 - 7	. . 2	2,487,300	1796 - 7	. . 2	2,504,400
1777 - 8	. . 2	2,098,300	1797 - 8	. . 3	1,307,800
1778 - 9	. . 1	1,388,400	1798 - 9	. . 5	2,910,900
1779 - 80	. . 3	3,983,600	1799, 1800	. . 3	1,132,266
1780 - 1	. . 2	2,341,400	1800 - 1	. . 4	963,467
1781 - 2	. . 3	4,118,500	1801 - 2	. . 1	185,533
1782 - 3	. . 4	5,477,200	1802 - 3	. . 1	1,380,266
1783 - 4	. . 3	3,204,000	1803 - 4	. . 0	
1784 - 5	. . 4	3,158,000	1804 - 5	. . 1	966,133
1785 - 6	. . 3	4,578,100	1805 - 6	. . 2	1,739,866
1786 - 7	. . 2	2,092,000	1806 - 7	. . 0	

THE COMMERCE OF THE OSTEND COMPANY WITH INDIA.

AFTER the Seven United provinces of the Netherlands threw off the yoke of Spain, the remaining ten provinces fell into the most deplorable decay, almost all their industry, and also most of their moveable wealth, being transferred to Holland and other Protestant countries, for the sake of enjoying religious, civil, and commercial, freedom.

In the year 1598, when Philip, King of Spain, bestowed the feudal sovereignty of the Netherlands on his daughter, Isabella Clara Eugenia, and her husband, Albert Archduke of Austria, he prohibited their subjects by the deed of conveyance from sailing to America or the East Indies. In vain the unfortunate and oppressed Netherlanders presented petition after petition to the Court of Madrid, praying to be relieved from this cruel exclusion : they could obtain no redress. Their trade was annihilated ; their cities, once the hives of industry, were depopulated ; and even Antwerp, lately the commercial capital and general emporium of Europe, was reduced almost to a solitude, its harbour without shipping, and its exchange deserted by the merchants.

At length, after the sovereignty had reverted by the death of Isabella in the year 1638 to the Crown of Spain, the King was persuaded to grant the Netherlanders the liberty of trading to those parts of India, which were possessed by the Portuguese, then also his subjects. But, before they had time to avail themselves of the indulgence, it was frustrated by the revolt of the Portuguese, who, in the year 1640, threw off the yoke of Spain, and consequently resumed the sovereignty of as many of their Indian settlements as the Dutch had not yet wrested from them.

Nothing further was done for opening a trade with India till the year 1698, when Carlos the Second, the last of the Austrian Kings of Spain, granted a charter for a Company to trade from the Netherlands to such parts of India and the coast of Guinea as were not occupied by other European nations, with a capital of two millions of florins. But again they were prevented from making any advantage of their charter by the death of the King on the 1st of November 1700, and the long and bloody war for the succession to the crown of Spain, which convulsed all Europe till the year 1713. After the peace the Netherlanders fell under the dominion of the House of Austria, subject to the same restriction

by

by which, when they were under the dominion of Spain, they were debarred from trading to India in any other manner than had been allowed to the subjects of Spain*.

The Emperor, desiring to encourage and extend the commerce of his new subjects in the Netherlands, and at the same time wishing to avoid a contest with the maritime Powers, chose that two ships equipped by private individuals, should go to India, by way of experiment, with his passport. After a long time spent in preparation, these two ships sailed from Ostend in the year 1717; and their success encouraged other merchants to fit out some more in the same manner. Thus the trade continued under a kind of temporary association of merchants till some enterprising foreigners, observing this promising commencement of an East-India trade, made proposals to the Court of Vienna for the establishment of a regular East-India Company, with the Emperor's charter for a proper term of years.

In the mean time one of the ships belonging to the temporary adventurers was seized with a rich cargo onboard, by the Dutch West-India Company on the coast of Africa in the month of December 1718. The Emperor made a demand for satisfaction and compensation to the suffering merchants, which was so little regarded by the Dutch, that another ship belonging to Ostend was also taken by the ships of the Dutch East-India Company. The merchants of Ostend, finding no good to be done by negotiation, fitted out some vessels of force, for which they obtained the Emperor's commission of reprisal. Captain Winter, whose ship had been taken from him on the Coast of Guinea, commanded one of them, and soon found his own ship lying in the Downs, with a cargo of ivory and gold dust, the property of the Dutch West-India Company. He immediately took possession of her; and now the Dutch took their turn to make remonstrances against this capture; but, in such a case, they could scarcely expect to obtain restitution of the prize.

The merchants, encouraged by the countenance and support of their Sovereign, dispatched five vessels for India in the beginning of the year 1720; and next year they sent six more, whereof three were bound for China, one for Mocha, one for Surat and the coast of Malabar, and one for Bengal. The Dutch Government, seriously alarmed by such active exertions, seized a ship fitting out for India by the merchants, and, in contempt of the application of the Imperial Minister at the Hague, ordered her to be publicly sold. About the same time a British privateer made prize of a rich homeward-bound ship, belonging to the Ostend merchants, near the coast of Madagascar.

* See above, p. 52.

These losses threw a damp upon the ardour of the adventurers, and induced them to detain a ship, nearly ready to put to sea, in the harbour of Ostend. But the arrival of four ships richly loaded in the summer of the year 1722 encouraged them to resume their spirit of enterprise and exertion.

Though the Emperor had authorized the associated merchants in the year 1719 to take in subscriptions for a joint stock, and even specified some of the privileges he proposed to grant them as an incorporated body, yet being unwilling to come to a rupture with the Dutch, who were continually importuning him not to establish an East-India Company, he appeared desirous that they should rather continue to carry on their trade under the authority of his passports granted to them as individuals.

On the 5th of April 1723 the Dutch Minister at Brussels presented to the Marquis de Prie, the Austrian Governor of the Netherlands, a memorial setting forth, that by the treaty of Munster in the year 1648 the Spaniards and the Dutch had agreed, that each nation should preserve their trade and navigation in the East Indies within the same limits in which it was then conducted. He observed that the Dutch had assisted the Emperor to obtain the dominion of the Netherlands, and that they could not expect so bad a return as the establishment of a trade in direct violation of the treaty of Munster, and of the confirmation of that treaty by the 26th article of the Barrier treaty, wherein it was expressly stipulated, that commerce, and all that depends upon it in whole or in part, should remain on the footing established, and in the manner appointed, by the articles of the treaty of Munster; that the Barrier treaty was guaranteed by the King of Great Britain, at a time when his Imperial Majesty was actually the Sovereign of the Netherlands, the inhabitants of which could claim no other rights by passing from the dominion of Spain to that of the Emperor, than those they enjoyed by the treaty of Munster as subjects of Spain. He concluded by requesting that the patent, *said* to have been granted, should not be published, or should be revoked, and that no ships should be allowed to sail from the Netherlands to India, either by virtue of a patent or any other kind of authority.

The Marquis de Prie, who derived a considerable emolument from the temporary licences to the ships, and therefor wished the trade to continue on its present footing, advised his Sovereign against granting a charter. Prince Eugene and the Emperor's other Ministers also represented to him, that the erection of the proposed Company could not fail to give offence to the maritime Powers, by whose means he had become Sovereign of the Netherlands, and that therefor the measure was equally inconsistent with his interest and with his dignity.

The

The English East-India Company had also become uneasy at seeing the progress of the Netherlanders ; and they complained, not without reason, that much of the capital which supported the trade, was furnished by British subjects, and that the trade and the navigation were in a great measure conducted by men bred up in their service, who were seduced, by extravagant pay and promises, to employ their talents and acquired knowledge of the Indian trade to the prejudice of their original employers and their native country.

In the year 1721 the British Parliament had passed an act [7 *Geo. I. c. 21*] for a rigorous enforcement of the penalties formerly enacted against British subjects going to India in the service of foreigners, and against smugglers of East-India goods into any part of the British dominions. This act having had little effect, another [9 *Geo. I. c. 26*] was passed in the Spring of the year 1723, more expressly prohibiting British subjects from being concerned in the proposed Company for carrying on the East-India trade from the Austrian Netherlands, on penalty of triple the value of their subscriptions to the capital of that Company, or imprisonment. British subjects, found in any part of India, and not in the service of the English East-India Company, are declared to be guilty of a high misdemeanour, and are to be seized, and sent to England, in order to be punished.

The British Minister at Vienna also remonstrated against the establishment of the new Company. But, notwithstanding all the dissuasions of foreign Courts and of his own Ministers, the Emperor, as if resolved to show that he was not to be dictated to, now departed from his former cautious line of conduct, and in August 1723 published the charter, which had been made ready on the 19th of December 1722*.

In the preamble, the Emperor, not satisfied with his Imperial titles, which were sufficiently numerous and pompous, assumed those appropriated by the King of Spain, calling himself King of the East and West Indies, the Canary Islands, the Islands of the Ocean, &c.—He grants to the Company for thirty years the right of trading to the East and West Indies and both sides of Africa.—The capital is fixed at six millions of florins in shares of one thousand each.—Twelve of these shares are necessary to entitle the proprietor to a vote : but foreign proprietors are entirely excluded from voting.—The Company are authorized to ship military stores, and all kinds of merchandize, without any exception whatever.—They may ship gold and silver, coined or in bullion, except the current money of the Austrian Netherlands.—They may fortify their settle-

* The charter was published at Brussels in Latin, German, Flemish, English, and French.

ments, and fabricate cannon and other arms in them, placing the Emperor's armorial bearing over their own.—They may fit out and arm as many vessels as they require : they may build vessels in any of his Imperial Majesty's ports in the Netherlands, Italy, &c. except those of Istria and Dalmatia, which are appropriated to the Eastern Company of Vienna, from whom, however, they may purchase two or three ships every year.—They may acquire lands in the Indies, and build forts and establish colonies upon them ; they may supply them with artillery and stores, and maintain garrisons in them.—They may make commercial treaties in his Majesty's name with the Princes of India : but they must not declare war without his Majesty's consent.—As an acknowledgement for his Majesty's favour, they shall present to him, and to each of his successors on his accession, a golden lion, weighing twenty marks (160 ounces).—His Majesty promises to protect the Company against all enemies, and even, if necessary, to employ his arms in supporting the entire liberty of their commerce and navigation, and will endeavour to procure every advantage and facility for them by treaties with foreign Princes and States.

It was also reported that the Emperor had promised to exempt them from all duties upon their imports and exports during the first three years, and to make them a present of 300,000 crowns to support the extraordinary expenses and losses incident to a new undertaking.

The Company, in full confidence of obtaining their charter, had dispatched a vessel in January for Bengal, in order to take possession of a fort, which the Great Mogul had permitted them to build for the security of their factory. By this vessel the Emperor sent an Ambassador to the Great Mogul, with a present of six cannon marked with his own arms.

The Company, having obtained their charter, opened subscription books at Antwerp on the 11th of August, and at noon next day the subscription was completely filled up by the merchants and bankers of Brussels, Ostend, Newport, Ghent, and Bruges, and many Lords of the Courts of Vienna and Brussels. About the end of the same month the shares were sold at a premium of from twelve to fifteen per cent.

The Dutch East-India and West-India Companies now demanded permission from the States-General to oppose the new Company by force of arms. The King of France, picqued at seeing a subscription filled for the new Company in a few hours, when similar subscriptions had gone on so heavily in his own dominions, notwithstanding the allurements held out to the vanity, as well as the interest, of subscribers*, issued an arret on the 16th of August, strictly pro-

* See above, pp. 257, 266.

hibiting his subjects from taking shares in the Ostend Company, entering into their service, or selling them any ships, and threatening the offenders with confiscation and imprisonment. In the year 1724 the King of Spain also joined in remonstrating against the establishment of the new Company.

Notwithstanding the strenuous opposition of all the nations already engaged in the India trade, the Company's affairs went on very prosperously both in Europe and in India. Most of their factors and other servants, having been in the service of the older Companies, were perfectly acquainted with the business, and found no difficulty in convincing the ruling people among the natives, that an opposition to the interest of the Ostend Company, which some of the agents of the other Companies wished to engage them in, would only prevent the people of the country from enjoying the benefit of a greater variety of competitors for their trade.

A very unexpected event seemingly promised to secure the stability of the Company. Philip, King of Spain, entered into a close alliance with his late enemy, the Emperor, whose pretensions to the crown of Spain, supported by Great Britain and the States-General, had harassed Spain, and almost all Europe, with a long and ruinous war. This alliance was cemented by several treaties, one of which, dated the 1st of May 1725, and particularly relating to commercial affairs, provides that the ships of the contracting Powers shall be received in a friendly manner in each-other's ports, 'which same proviso is also to take place in the East Indies, on condition that they do not carry on any trade there, nor be suffered to buy any thing besides victuals, and such materials as they want for repairing and fitting out their ships.' This article gave the Company's ships at least the liberty of obtaining refreshments and repairs in the Spanish ports in India, which lie very conveniently in the way of ships sailing to or from China. A market in Europe, and seemingly also in the Spanish colonies, was provided for them by the 36th article, which engages that 'his Imperial Majesty's subjects and ships shall be allowed to import all sorts of produce and merchandize from the East Indies into any of the states and dominions of the King of Spain, provided it appears from the certificates of the India Company erected in the Austrian Netherlands, that they are the produce of the places conquered, the colonies, or factories, of the said Company, or that they came from thence: and in this respect they shall enjoy the same privileges which were granted to the subjects of the United provinces by the Royal cédulas of the 27th of June and 3d of July 1663.'

It was now supposed by most people, that the Company were established on the most secure and permanent foundation. But some of the most judicious of

the partners were of a very different opinion, and took the opportunity of selling out their shares during the sun-shine of prosperity. The succeeding events soon justified the prudence of their conduct.

In order to counterbalance the alliance between Austria and Spain, the Kings of Great Britain, France, and Prussia, entered into a treaty in September following, whereby they all engaged to guarantee the territories belonging to each of them, 'in and out of Europe,' and also 'all the rights, immunities, and advantages, *particularly those relating to trade*, which the said allies enjoy or ought to enjoy respectively *.'

The States-General were invited to join in this alliance. But, with that constitutional tardiness which sometimes counteracts their habitual keen attention to their pecuniary interest, they put off their accession to it till August 1726.

While these diplomatic transactions were going forward, the Company's affairs appeared to be in the most prosperous situation. Several ships arrived from India and China with valuable cargoes, the sales of which amounted to above five millions of florins. In September 1726 the Directors called a meeting of the proprietors, and informed them their commerce had been in general so successful, that they were enabled to carry 250 florins to the account of every share of the capital, which, with the 750 already paid in, completed the investment of 1000 florins, the original amount of the share. But this addition, which was equal to a dividend of $33\frac{1}{3}$ per cent upon the capital really paid in, and employed in the trade, was not sufficient to keep up the spirits of the partners under the pressure of a confederacy of the most powerful Sovereigns of Europe against them.

The object, which King Philip had in view in entering into a close connection with the Emperor, was to obtain the Archduchess Maria Theresa, his daughter and heiress of all his dominions, for a wife to his own son Carlos. But the Emperor does not appear to have ever intended that the match should take place: and the King of Spain soon after finding himself unable to furnish the pecuniary assistance expected by his Imperial ally, the alliance broke up.

About the same time the King of Great Britain and his allies signified their willingness to support the pragmatic sanction, the purport of which was to secure the succession of Maria Theresa to her father's dominions. That being the object the Emperor had most at heart, he, in return, sacrificed the interest

* The Ostend Company is never once mentioned in the treaty. But the words, 'particularly those relating to trade,' plainly al-

lude to the right claimed by the contracting powers of opposing the establishment of that Company.

of the Ostend Company, so far as to agree, by a treaty concluded on the 31st of May 1727, that their privilege should be suspended for seven years, during which no ships should sail from Ostend for India; but those which had already sailed should be permitted to return without molestation, and, if any of them happened to be taken, they should be freely restored.

On the 16th of March 1731 the King of Great Britain entered into a treaty with the Emperor, whereby the King engaged formally to guarantee the succession to the Emperor's dominions agreeable to his declaration made in favour of his daughter, and to maintain it against all persons whatsoever. The Emperor, on his part, bound himself to suppress the Ostend Company totally, and never to permit any vessels to sail to India from the Austrian Netherlands, or any other country which was subject to the crown of Spain in the time of King Carlos the Second, only reserving to the Ostend Company a right to send two ships, each only for one voyage, to India, and to receive the merchandize to be imported by them, and sell the same, as they should think proper, at Ostend.

Immediately after the *suspension* of the Company's privilege, the proprietors, knowing that the absolute suppression was resolved upon, turned their thoughts to consider of some means to preserve their commerce, either in ports belonging to the Emperor, which had never been subject to Spain, and consequently not liable to the objections urged against those of the Netherlands, or in the ports of some other Prince by means of passports, under which they had for some time carried on their trade. The only ports in the Austrian dominions, besides those of the Netherlands, were Trieste and Fiume, both at the head of the Gulf of Venice, neither of them convenient nor capable of receiving large vessels. The Emperor, who was as desirous of having an East-India trade in his Dominions as the Company could be, did every thing in his power to render those two ports more commodious, and in the year 1728 visited Trieste in person, where he witnessed the launch of a small ship of war, and animated the workmen employed in improving the harbour by his presence and bounty: but the natural impediments were found to be insurmountable: and the Emperor seems to have given up all hopes of obtaining any share of the India trade to his dominions.

The Company next applied to the Kings of Poland and Prussia, and obtained passports from both. The Saint Theresa, under Polish colours, was seized by some English ships of war in the Ganges, and retained as a prize, notwithstanding a faint application to get her restored made by the Polish Minister. The Apollo, with a Prussian passport (which, it is believed, was put onboard her by

an advice boat, after she arrived in the European seas) arrived at Stade, a port in the River Elbe, belonging to the King of Great Britain, where she was received as a Prussian ship, as she was also at Hamburgh, a few miles higher up the river, where she arrived in September 1731. After she had landed the most of her cargo, and the sale was advertized, the British and Dutch Ministers presented a strong memorial to the Magistrates of Hamburgh on the 10th of December, requiring them to sequester the ship and cargo. The Magistrates, having called a general meeting of the citizens to consider the matter, answered that, as the Elbe was a river free to the whole German empire, all vessels, except those of the enemies of the empire and pirates, had a right to come into it; that they could not refuse to admit a ship bearing the colours of his Prussian Majesty, especially after she was received as a Prussian ship at Stade, and also at a port in Ireland, where she had called for refreshment; that they had no right to interfere with the cargo of any ship in their port, further than to receive the customary duties. Therefor they begged that the King of Great Britain and the States-General would not insist upon their doing what they had no right nor power to do, or require them to interfere in disputes between the higher Powers of Europe. Notwithstanding the menacing stile of a second memorial presented by the British and Dutch Ministers, it was not thought prudent to push the matter to extremities, which might induce the Emperor to vindicate the freedom of the River Elbe, and the King of Prussia to support the honour of his flag. The sale was allowed to go forward; and the Company flattered themselves that they had found a way of carrying on their business successfully.

Soon after, another of the Company's ships, which was expected home, was also met by an advice boat, and directed to put into Cadiz, and to act agreeable to instructions to be received there. At Cadiz the cargo was shifted into a French ship, the commander of which signed bills of loading for the delivery of the goods, as the property of a Spanish merchant of Cadiz, to a merchant in Hamburgh. The British and Dutch Governments, being informed of the whole of these transactions, now applied to the Emperor, requesting him to interpose his authority to put a stop to such violations of the late treaties. The Emperor thought it best not to contest the matter, and ordered his Minister at Hamburgh to request the Senate of that city to sequester the goods, as belonging to a Company, whom he had suppressed, and who were carrying on their trade in defiance of his orders. Though the Senate represented to the Emperor, that they found by the ship's papers that the cargo was Spanish property, the Emperor insisted, and the goods were sequestered. After a tedious negotiation,

tiation, the Senate, on the 15th of January 1734, prohibited the citizens from having any concern with vessels or cargoes so circumstanced: and then the proprietors were allowed to carry away the goods privately.

The two ships, which, by the terms of the treaty of March 1731, the Company had a right to send to India, sailed from Ostend in April 1732, and returned in the end of the year 1734.

In the rapid fluctuation of politics, which had for some time taken place in the affairs of Europe, the Emperor was now at war with France, Spain, and Sardinia. In such a situation he did not think it expedient to give the slightest cause of offence to Great Britain and the States-General, whose support was so necessary to him, that all thoughts of supporting the interest of the Ostend Company were abandoned.

An Account of all the ships fitted out by the Ostend Company after they received their charter in August 1723.

Years.	Ships.	Guns.	Commanders.	Voyages.
1724	The Emperor Charles	30	Michael Caifaes . .	Bengal. Lost.
	The Empress Elizabeth	28	Balthasar Rose . .	China.
	The Eagle . .	25	Nicholas Charpentier	China.
1725	The Charles the Sixth	36	James Winter . .	Bengal.
	The Empress . .	34	Clarke . .	China.
	The Marquis de Prie	36	Andrew Vlaerdering	China.
1726	The Golden Lion . .	36	James Larne . .	China.
	The Eagle . .	34	John Wael . .	China.
	The Peace . .	36	Philip Perronet . .	Bengal.
	The Hope . .	34	Nicholas Charpentier	Bengal.
1727	The Archduchess Elizabeth . .	} 32	Michael Caifaes . .	Bengal.
	The Charles the Sixth	28	De Meyenne	Bengal.
	The Concord . .	36	Ryngaet . .	China.
	The Marquis de Prie	28	Branwer . .	China.
	The S' Antony of Padua	—	John Van Brakel	} Brazil, as advice boats.
	The S' Ann . .	—	Mathew Clynkart	
about 1728	The S' Joseph . .	—	Daniel Petre . .	
1729	S' Theresa . .	—	Dominic Braco . .	Bengal.

about

	Years.	Ships.	Guns.	Commanders.	Voyages.
about 1729	Apollo	. . .	—	Michael Caiffaes.	
	Syren	. . .	—		
1732	The Concord	. . .	40	James de Lormes	. Bengal.
	The Duke of Lorrain	. . .	44	le Clerc	. . Bengal.

The ships of 1726 and 1727 were out upon their voyage, when the treaty of the 31st of May 1727 was concluded ; and the advice boats were dispatched in consequence of that treaty to meet the homeward-bound ships on the coast of Brazil, and give them information of the state of affairs, together with instructions for their conduct.

THE COMMERCE OF THE SWEDES WITH INDIA.

THE Swedes, though a brave and hardy race, and famous, in the earliest accounts we have of the northern parts of the world, for the boldness of their maritime enterprises, were among the last of the European nations to engage in active commercial speculations. Abandoning to the merchants of the Hanse towns the labour and the profit of conducting the little commerce, for which their produce and their fisheries supplied scanty materials, they addicted themselves entirely to military enterprise, and were almost perpetually engaged in war.

Their great Monarch, Gustavus Adolphus, was the first who attempted to turn the attention of the Swedes to active foreign commerce. He also endeavoured to establish a Company for carrying on a trade with Africa, Asia, America, and Magellanica: and on the 14th of June 1626 an association of merchants, who proposed to adventure in it, were incorporated for a term of twelve years by his charter. But the wars, in which he was constantly engaged, turned the attention of the people from commerce; and nothing effectual was done by this first chartered Company.

In the reign of Queen Christina, the learned daughter of Gustavus, no attempt was made to engage in the India trade. But some of her subjects settled a colony in North America; and their descendents, though the sovereignty of their country of New Sweden has passed into other hands, are still a numerous people, distinguished by the Swedish names of themselves and their towns, in New Jersey (the modern name of their country), besides forming a part of the population of Pennsylvania.

The perpetual wars and the splendid victories of Charles the Twelfth desolated the kingdom, and destroyed the little trade which the Swedes had acquired. In the following reigns the country slowly recovered from the disasters of Charles's reign; and industry, with its concomitant prosperity, gradually advanced. Many Swedish subjects, who had flown from their country to avoid the miseries of perpetual war, returned to enrich their native land with their acquired knowledge and the fruits of their industry; and all foreigners, who were able to add to the commercial knowledge or the trading capital of the country, were received with the greatest kindness.

Such was the situation of affairs in Sweden, when the abolition of the East-India Company of Ostend turned adrift a number of men possessed of capital and of commercial and nautical knowledge, and particularly of those branches of them, which were adapted to the commerce of India. The success of that Company's trade had proved that the same people, who conducted it, could manage with propriety and success a similar trade in any country, to which the maritime Powers, whose subjects were already established in the trade, could not make the same objections, which, together with concurrent political events, had finally overthrown that ill-fated Company.

M^r Henry Koning, a judicious and opulent merchant of Stockholm, observing how favourable the time was for establishing an East-India trade in Sweden, represented to the King and the Ministry the advantage of seizing the opportunity of attracting the capital and commercial and nautical knowledge of the merchants and navigators, who by the fall of the Ostend Company were no longer connected with the Netherlands, and whom the rigour of penal laws prevented from returning to their native countries.

After mature deliberation, the King, on the 14th of June 1731 granted a charter to Henry Koning and his associates, whereby he bestowed upon them for fifteen years the privilege of trading to all countries between the Cape of Good Hope and Japan, so that they do not enter the ports belonging to any European Power without previously obtaining permission.—Gottenburg is appointed to be the sole port of outfit and arrival for this trade, and for disposing of the homeward cargoes, which must be done only by public sale.—The Company are bound to pay a hundred dalers to the King, and two dalers to the city, for every last of shipping employed in their trade, within six months after the return of each ship.—The Company's vessels must be built in Sweden, and be rigged and equipped with Swedish materials; and no foreign ships or materials must be employed, unless it be found impracticable to procure such in Sweden. The ships may be armed as the Company think proper, and carry the Swedish flag.—The Company may make their capital any sum they think proper.—They may export silver bullion of all kinds, except Swedish coin; and they may import all kinds of merchandize from India.—Their seamen and soldiers are exempted from being pressed into the King's service; their ships are never to be hindered from sailing on any pretence whatever; their commanders are invested with the same power of maintaining discipline onboard their ships, which the commanders of the King's ships have; and they are authorized to oppose by force of arms all pirates and others, who may attempt to molest them in any part of the world.—The goods imported by the Company are exempted from paying any

any duties, except a very trifling acknowledgement upon removing them.—The Company's business is to be conducted by three Directors, who must all be Protestants, native or naturalized subjects of Sweden, and residing in the kingdom; and Henry Koning is nominated the first of them.—If any Director betrays his trust, or acts in any respect improperly, the proprietors may apply to the College of commerce, who are empowered to suspend him, in which case the proprietors are to elect another in his place.—All foreigners, who are proprietors of the Company's stock, or are employed in their service, shall be naturalized, on making application to the King; and their property shall upon no account be liable to arrest.—All other subjects of Sweden are prohibited from trading within the Company's limits on penalty of forfeiting their vessels and cargoes.—The King promises to alter, renew, or enlarge, the Company's privileges, if it shall be found necessary for promoting the prosperity of their trade.

As the Company were absolutely prohibited by their charter from interfering with the settlements of any other Europeans in India, the Companies of other nations could scarcely find any reason to complain of their establishment; and they were allowed to make their preparations without remonstrance or molestation. Some people, indeed, supposed, as they heard but little of their operations, that the scheme had miscarried of itself. But M^r Koning and his partners were not idle, though they chose not to make any great noise or proclamation about their proceedings. They built two large stout ships, and furnished and armed them in the completest manner. They were very careful in the choice of their supercargoes, who were men of abilities and probity, and experienced in the trade with China; and their naval officers and seamen were selected with equal attention to character and experience. Every thing was done in the best manner: and in two years, from the time of obtaining the charter, the Frederick and the Ulrica, so named after the King and Queen, sailed from Gottenburg.

The King had notified to the States-General the establishment of the Company, adding that their ships would not upon any account interfere with the trade of other European nations, and would pay ready money for whatever refreshments or repairs they might want in the ports of any of his allies, which, he therefor hoped, would be readily granted. But it was not till a second application was made, that their High Mightinesses answered, that, though they could not be expected to favour the new Company, they would give every necessary succour to his Majesty's subjects. As a further mark of the King's solicitude for the prosperity of the Company, and in order to grace their first

appearance in China with a conspicuous mark of the Royal countenance and protection, he invested M^r Colin Campbell, the supercargo of the *Frederick*, with the character of his Ambassador to the Emperor of China and some other Oriental Princes.

The Swedish Company's ships were very well received by the Chinese, who gave them permission to establish a factory at Canton on the same footing with the other Europeans already possessing factories in that city.

When returning to Europe, the *Frederick* was seized in the Straits of Sunda by a Dutch fleet of seven ships, and carried into Batavia. On complaint being made by the Swedish Minister to the States-General, they, and also the Directors of the Dutch East-India Company, declared that they had never given any orders to intercept or trouble the Swedish Company's ships. The ship was soon liberated; and no such insult upon the Swedish flag was ever after committed by the Dutch Company's ships.

The other ship arrived without any accident; and the voyage turned out moderately profitable, whereby the Company were encouraged to proceed, and warranted to hope for more profitable returns in subsequent voyages. Their hopes were not disappointed: their trade, notwithstanding the loss of some of their ships, was exceedingly advantageous to themselves, and also to the kingdom; for, as they exported a considerable quantity of Swedish merchandize, and only a very small portion of their Oriental merchandize was consumed in the country, the money, obtained from foreigners for what was exported, was a great deal more than the bullion exported by them, and had a great effect in enriching a country, which had previously had but a very small quantity of the pretious metals in circulation.

Notwithstanding these obvious advantages, the envy against foreigners, which characterizes that stage in the progress of society in which a nation is emerging from barbarism, made the unthinking part of the Swedes grumble at seeing so many strangers employed in the Company's service, and taking the bread, as they supposed, out of the mouths of their own people, though those strangers expended their earnings in the country, the only foreigners, who drew any money out of the country, being the non-resident proprietors, who, not being in the sight of the people, escaped their animadversion. In order to appease the discontent, the Company published an order, that at least two thirds of the seamen onboard their ships should be native Swedes: and, as it is was generally found impossible to obtain so many, properly qualified for the voyage, the people became sensible of the unreasonableness of their clamour.

In the year 1746 the Company's charter was renewed, and the term of their exclusive trade prolonged to the year 1766.

Ever since the establishment of the Company, each of the partners had had the option of withdrawing his capital upon the final termination of the particular voyage for which it was subscribed. In the year 1753 the Company, feeling the inconvenience of this fluctuating and precarious state of their capital, agreed that it should in future be permanent, and that any proprietor, who might be desirous of drawing out his property, should find a purchaser for it, agreeable to the practice of the joint-stock Companies of other nations. At the same time the King, in order to enable the Company to stand their ground against the competition of the new Prussian Company, recently established at Embden, agreed to a commutation duty of twenty per cent upon the value of the East-India goods, consumed within the kingdom, instead of the lastage duty, hitherto paid by every ship for each voyage. But in the year 1765, when the charter was nearly expired, the Government not only resumed the lastage duty, but also demanded the arrears, said to be due since 1753.

The Government also took another method to obtain a participation of the Company's profits. In the year 1766 the charter was again renewed for a further term of twenty years : and on this occasion the Company were obliged to lend to Government above a hundred thousand pounds sterling at an interest of six per cent, and also half as much more without any interest ; and for the payment of the later sum they were to be allowed to retain in their hands the duty payable upon every ship, till the whole of that debt is thereby cancelled.

The trade of the Company has been, from their first establishment almost entirely with China, whereby they were exempted from falling into quarrels with the Indian Princes, or with other European Companies, and also from the expense of maintaining forts and garrisons. Four fifths, at least, of their imports have been tea, of which a very small part was consumed in Sweden, the most of it having been sold for ready money to foreigners, chiefly for the purpose of being smuggled into Great Britain. That clandestine trade was carried on very successfully, till the British Parliament laid the axe to the root of it in the year 1784 by passing an act for lowering the duties upon tea, and thereby immediately almost annihilated the trade of the Swedish Company, who had scarcely any support from the consumption of their own country. It is to be regretted that the enormous expenses of the present long-protracted war have again raised the British duties upon tea almost as high as formerly, and thereby hold-out a strong temptation to renew the smuggling trade.

The following is an account of the number of ships dispatched by the Swedish East-India Company before the year 1766, and of the number of their ships loaded at Canton in China, and of the quantity of tea shipped onboard them after that year.

Years.	Ships.	Voyage.	Years.	Ships.	Voyage
1731-1745	3	Bengal.	1746-1765	3	Surat.
	22	China.		33	China.
Of these 25 four were lost.			Of these 36 one was lost.		

Season.	Ships.	Tea, lbs.	Season.	Ships.	Tea, lbs. -
1767-8 . . .	2 . . .	3,066,143	1787-8 . . .	2 . . .	2,890,900
1768-9 . . .	2 . . .	3,186,220	1788-9 . . .	2 . . .	2,589,000
1769-70 . . .	1 . . .	1,494,509	1789-90 . . .	0	
1770-1 . . .	2 . . .	3,076,642	1790-1 . . .	0	
1771-2 . . .	no account.		1791-2 . . .	1 . . .	1,591,330
1772-3 . . .	2 . . .	2,746,800	1792-3 . . .	1 . . .	1,559,730
1773-4 . . .	1 . . .	1,489,700	1793-4 . . .	1 . . .	756,130
1774-5 . . .	2 . . .	4,088,100	1794-5 . . .	0	
1775-6 . . .	2 . . .	2,562,500	1795-6 . . .	2 . . .	2,759,800
1776-7 . . .	2 . . .	3,049,100	1796-7 . . .	0	
1777-8 . . .	2 . . .	2,851,200	1797-8 . . .	2 . . .	1,406,200
1778-9 . . .	2 . . .	3,258,000	1798-9 . . .	1 . . .	1,408,400
1779-80 . . .	2 . . .	2,626,400	1799,1800 . . .	1 . . .	444,800
1780-1 . . .	3 . . .	4,108,900	1800-1 . . .	2 . . .	2,202,400
1781-2 . . .	2 . . .	3,267,300	1801-2 . . .	0	
1782-3 . . .	3 . . .	4,265,600	1802-3 . . .	2 . . .	1,427,067
1783-4 . . .	3 . . .	4,878,900	1803-4 . . .	0	
1784-5 . . .	0		1804-5 . . .	2 . . .	2,352,666
1785-6 . . .	4 . . .	6,212,400	1805-6 . . .	0	
1786-7 . . .	1 . . .	1,747,700	1806-7 . . .	0	

THE COMMERCE OF THE PRUSSIANS WITH INDIA.

THE King of Prussia having obtained the sovereignty of the Province of East Friesland, which contains the city and port of Emden, was desirous that that port, the only one he possessed upon the Ocean, should be the seat of a flourishing trade with China.

Having got together a Company, composed mostly of Englishmen, Dutchmen, and Frenchmen, whom the hopes of enjoying an advantageous trade with very ample privileges emboldened to set at defiance the strict laws of their own countries against adventuring in foreign East-India Companies, he incorporated them by the name of the ASIATIC or CHINA COMPANY, on the 11th of September 1750, for the term of fifteen years, during which they should have the privilege of sending two ships every year to China.—All goods imported by them, and sold to foreigners, may be exported without paying any duties; and the Company may export any article manufactured in the King's dominions without paying any duty.—Foreigners subscribing to the Company's capital acquire all the privileges of Prussian subjects.—Noblemen may subscribe without derogating from their dignity.—All the countries to be conquered by them are declared to be their own property.—They are also invested with the privilege of carrying on several manufactures, and the herring, cod, and whale, fisheries, and to trade in all places where their vessels can have free access, &c. &c.

The Company in the course of four or five years sent six ships to China. But there is reason to believe that their business was conducted by people unacquainted with the proper methods of carrying it on; for while other Companies were making considerable profits by their China trade, the Prussian Company, on winding up their accounts, when the war put an end to their commerce in the year 1756, found that their profit amounted to *one half per cent* in the year.

On the 21st of January 1753 the King established a second Company, also at Emden, for trading to Bengal and the neighbouring countries during the space of twenty years, with liberty to send as many vessels as they might think proper. He granted them all the usual privileges of joint-stock companies, such as the
power

power to make laws for their regulation, to chuse Directors, who must, however, be approved by him, &c. &c. *

The Company limited the amount of their capital at a million of Brandenburg crowns, in shares of five hundred crowns each. But the formation of the original Company, who got the charter, could not be completed ; and some other persons, by the King's permission, got possession of the charter, and opened subscriptions at Emden, Breslaw, Koningsberg, Magdeburg, Antwerp, and Hamburgh ; and they proposed to send one or two vessels to Bengal, by way of experiment, as soon as there should be a sufficient sum raised for that purpose.

After many delays, the Company dispatched a ship to Bengal, where they established a factory. The ship was cast away in the Ganges in the year 1756. In the year 1761 the second ship, sent out by the Company, went to look for the remains of the wreck of the first, but did no good for her owners, who made no further attempt to trade to Bengal.

Thus expired the Bengal Company, formed by the great Frederick, without any loss, but such as a great Company ought to expect, and be able to bear ; without any opposition from rival Companies ; and without suffering any thing from war, either in Europe or India.

The Asiatic or China Company have some kind of trade with China at very distant intervals of time, but whether really, or only nominally, on their own account, I do not pretend to know. The following is

An Account of ships under Prussian colours loaded at Canton, and of the quantity of tea shipped onboard them.

Season.	Ships.				Tea, lbs.
1783 - 4	.	.	2	.	3,329,800
1787 - 8	.	.	1	.	499,300
1791 - 2	.	.	1	.	5,070
1800 - 1	.	.	1	.	802,400
1802 - 3	.	.	2	.	1,756,000
1803 - 4	.	.	1	.	1,073,733

and none after that year.

* The charter contains a great number of articles : but it would be idle to relate every minute particular in the affairs of a Company, which was scarcely ever effective.

THE COMMERCE OF THE IMPERIAL COMPANY OF TRIESTE, &c. WITH INDIA.

IN the year 1775 M^r William Bolts, who had been in India in the service of the English East-India Company, and had incurred their displeasure *, went to Vienna, where he was received by the Empress Maria Theresa as one of her subjects. In order to shew his zeal for the interest of his new Sovereign and her subjects, he presented to her a proposal for establishing a trade with Africa and the East Indies, to be carried on, under her auspices, from her ports at the head of the Adriatic sea, to which there could be no such objection made, as was urged against the establishment of an East-India trade in the Netherlands †. That he might be the better enabled to carry his proposal into execution, he requested the Empress to let him have an assortment of metals, cannon, and small arms, from the Imperial mines and manufactories, to the amount of 180,000 florins, and to allow him two years to make the payment ‡.

The Empress approved of his proposal, and on the 5th of June 1775 signed a charter, whereby she authorizes him, during the space of ten years, to carry on a trade, with vessels under the Imperial flag, from her ports in the Adriatic sea, to Persia, India, China, and Africa ; to carry Negro slaves from Africa and Madagascar to America ; to take goods upon freight, either for the Imperial ports or any others, for account of foreigners, whose property shall not be liable to confiscation, even if they should belong to nations at war with her ; to take possession, in her name, of any territories, which he may obtain from the Princes of India ; and she declares, that the vessels belonging to him, or freighted by him, and the people belonging to them, shall be exempted

* In the year 1760 M^r Bolts arrived in Bengal ; in 1766 he resigned his appointment in the Company's service ; and in September 1768 the Company's Government, finding that he intended to remain in India in defiance of their regulations, were obliged to make use of the power vested in them by Parliament to send him home to England.

† See above, the Commerce of the Ostend East-India Company.

‡ The succeeding Emperor made a present of this sum to M^r Bolts and his partners. [*Recueil de pieces authentiques, &c. p. 8.*]

from arrest or detention, at all times, whether of peace or war, that she will provide him all the necessary passports, and will take care to obtain redress for him, if he is attacked or molested.

Bolts immediately assumed Charles Proli and Company, merchants in Antwerp, as partners to the extent of one third of the business. They agreed to fit out and load two ships at Leghorn and Trieste, and that Bolts should proceed to India, in order to establish factories and conduct the business, leaving the charter in the hands of his partners with authority to establish a house of India trade at Trieste.

M^r Bolts bought a ship in London, and in March 1776 sailed from the Thames. When he got to sea, he deprived the English captain of the command, appointed a new one, and sailed, under Imperial colours, into Lisbon. There his ship was stripped of all her hands by a British frigate, and a new ship's company procured, consisting of Italian seamen. After encountering several other hardships at Lisbon, he proceeded to Leghorn, whence he sailed for India. Having settled three factories on the Malabar coast, one on the Nicobar islands, and one at Delagoa on the east coast of Africa, he returned with three ships to Leghorn, where he arrived in May 1781.

The Grand Duke of Tuscany was so much pleased to see ships from India arrive in his dominions, that, in order to testify his good will to M^r Bolts, he gave him a charter, dated on the 29th of May 1781, for an exclusive trade between Tuscany and all the countries beyond the Cape-de-Verd islands, to be conducted in two ships under Imperial or Tuscan colours, and to continue till the expiration of his Imperial charter.

With this additional charter in his possession, and enjoying apparently the favour of two Sovereigns in Europe, and some in India, M^r Bolts felt himself in a very disagreeable situation, which was owing entirely, as he represents the matter, to the treachery of his Antwerp partners, who left him to support the charges of forming new establishments by his own exertions, and dishonoured the bills drawn by him in India for sums, which his former connections in that country enabled him to raise on his own credit for the joint account of all the partners. He also accused them of not only neglecting to send out ships, according to agreement, in order to follow up the beginning made by him, but also treacherously sending in the year 1779 one ship from L'Orient in France, and another from Leghorn, both direct for China on their own account, without allowing him his two thirds of the profit, stipulated by the contract of partnership. Moreover, in the later part of the same year they attempted to persuade

suade the Empress to give them a new charter for a trade with India, in which Bolts should have no participation.

As soon as it was known that Bolts had arrived with three loaded ships from India, his creditors in various parts of Europe flew to Leghorn, and got the ships and their cargoes arrested. The distress he was now in reduced him to the cruel necessity of entering into a new connection with the partners, against whom he already had so many causes of complaint.

By a contract, dated at Antwerp the 9th of August 1781, M^r Bolts ceded to Messieurs Proli and Company the Imperial charter and also the Tuscan charter, in order to raise a joint stock of two millions of florins; he renounced any right he might have in the profits made by the ships they had sent to China, except a commission of two per cent on the gross sales of the cargoes; and he took upon himself the property of a ship, called the *Grand Duke of Tuscany*, with her cargo, which had been seized at the Cape of Good Hope in April 1781 by the French and the Dutch, and also of another vessel expected from Malabar. In return, Proli and Company, in friendship to M^r Bolts, agreed to lend him £6,280 16 8 sterling at five per cent interest, in order to enable him to pay off a debt contracted on the joint account, for which they took security upon his property in the trade: and, as some compensation for the cessions made by M^r Bolts, they agreed that he should have a right for once to send two ships to India or China on his own sole account, only paying to them a rate, or commission, of six per cent on the gross amount of the sales of their cargoes in Europe.

Their agreement was confirmed by the Emperor Joseph II, the son of the Empress Maria Theresa, who also authorized them to raise the sum of two millions of florins, the proposed amount of the capital of the new IMPERIAL COMPANY OF TRIESTE FOR THE COMMERCE OF ASIA.

Proli and Company immediately opened subscriptions for the sum wanted to complete their capital, valuing the present stock of the Company at one million of florins, whereof 800,000 were their own property, and 200,000 belonged to Bolts: and for the remaining million they invited subscribers to take shares of a thousand florins each. They appointed themselves to be Directors at Antwerp, and Bolts and another person, not yet elected, to be Directors at Trieste; and they reserved to the Directors, as a compensation for their trouble, a commission of two per cent on the gross sales in Europe.

In a meeting of the partners held at Antwerp in September 1781, and the only one they ever held, Proli and Company recommended to them

to avail themselves of the favourable circumstance of the nations, most largely concerned in the India trade, being then engaged in warfare, to send out as soon as possible six ships for China and India, two for the east coast of Africa, and three for the southern whale fishery. For these extensive outfits they proposed to borrow a large sum of money; and the subscribers present authorized them to raise a sum not exceeding the amount of their capital subscribed.

In November 1781 M^r Bolts, upon his own account, fitted out a large ship, called the Cobenzel, for the north-west coast of America, in hopes that she might be the first to take advantage of the very lucrative business of carrying the furs of the sea otter from that country to China; a new branch of trade discovered in Captain Cook's last voyage. He proposed that the ship should pass round Cape Horn, and after taking in her furs at Nootka and selling them in China, return to Europe by the Cape of Good Hope, and so accomplish the first Austrian circumnavigation of the Globe. For the direction of the voyage he had engaged four English officers*, bred up under the immortal Cook; and five naturalists were also engaged to embark in the voyage, in order to improve and extend the knowledge of natural history by their discoveries. He purchased a Bermudian sloop to serve as a tender; and he obtained recommendations from the Emperor to the various Princes, in whose ports the vessels might chance to anchor. But this expedition, so promising in prospect, was frustrated, according to Bolts's representation, by the malicious intrigues of his brother Directors at Vienna and Trieste, whereby he sustained an enormous loss, and was obliged to employ the ship in another business, for which she was not so well adapted.

In the mean time the Antwerp Directors and their agents were busily employed in fitting out and loading the ships they already had at Trieste and Leghorn, and in contracting for the purchase of other ships at Trieste and Liverpool: and in April 1782 they reported that they had six millions of florins, and six ships under the Imperial flag, all in action. But the spirit and hopes, excited by the bustle of these transactions, were somewhat damped by the information they received of their factory at Delagoa being destroyed by the Portu-

* Captain Dixon, one of these four officers, who was afterwards employed by Messieurs Etches and Company of London to make a voyage similar to that proposed for

the Cobenzel, in which he also circumnavigated the globe, was kept eighteen months at Trieste by M^r Bolts, in expectation of the ship proceeding according to her destination.

guese, who claim the sovereignty and exclusive commerce of the whole of the east coast of Africa.

In the year 1784 five of the Company's vessels from China arrived at Ostend, which the Emperor, when on a visit to the Netherlands in the year 1781, had made a free port : and, though a most strenuous, and finally successful, opposition was made to the establishment of an East-India trade in that port in the early part of the eighteenth century, we do not hear of any objection or remonstrance being made against it at this time by the principal maritime Powers, who were now opposed to each-other in the war occasioned by the American revolution. But the fortunate arrival of so many ships, with near three millions and a half of pounds of tea *, besides other goods, which promised to put the Company in possession of a large sum of money at their sale, appointed for November 1785, was balanced by the misfortune of their ship, the Imperial Eagle, which had been built for them at Trieste at the expense of above 300,000 florins, being arrested, with her cargo, in the harbour of Cadiz by their creditors, whereby they incurred a loss estimated at 290,000 florins. Many of the proprietors were so much disheartened by this disaster, that they sold out their stock at above thirty-eight per cent under par : and the event soon showed that the buyers, even on these terms, were greater sufferers than the sellers ; for in the same year the Company were declared bankrupt at Antwerp to the amount of ten millions of florins.

The failure of this Company, who seem to have met with scarcely any foreign opposition, except from the feeble East-India government of Portugal, may be chiefly ascribed to the jealousy and misunderstanding between Bolts and his colleagues at Antwerp. He seems, also, to have had too much of the dashing spirit of a projector ; and they, though the principals in point of capital, appear to have been entirely destitute of the particular kind of knowledge requisite for conducting a trade with India.

* The Duque de Almodovar, in his '*Historia política de los establecimientos ultramarinos de las naciones Europeas*,' V. iv, p. 129, says, these five vessels were only half loaded. Not knowing the burthen of them, I cannot pretend to judge how much should have been their full

cargoes. But I see, by the returns from Canton, that the quantity of tea imported by them was equal to what has been sometimes imported by five British ships, and more than what was imported by fourteen American vessels in the season 1789-90.

The following is

An Account of the number of ships, carrying Imperial, Hungarian, or Tuscan, colours, which loaded at Canton, and of the quantity of tea shipped onboard them.

Seasons.		Ships.		Tea, lbs.
1779-80	. .	1	Imperial	1,375,900
1780- 1	. .	1	Hungarian	317,700
1782- 3	. .	1	Tuscan	933,300
1783- 4	. .	5	Imperial	3,428,400

In the season 1792-3 one ship, carrying Tuscan colours, took onboard 393,870 pounds of tea.

THE COMMERCE OF THE SPANIARDS IN THE EAST INDIES.

THE Spaniards, though they were the first Europeans after the Portuguese, who navigated the Indian Ocean, were the very last of the European nations who accomplished the establishment of a direct trade with India.

Many years elapsed after Christopher Colon made the discovery of America, when upon his voyage in search of a short western passage to India, before it was ascertained that a great continent, extending many thousand miles from north to south, rendered it impossible to sail westward from Europe to that country without deviating very much from a due-west course.

Vasco Nunnez de Balboa, a Spanish adventurer, having heard that there was a great sea beyond America, was desirous of discovering it ; and, having procured some of the native Americans in the year 1513 to serve him as guides, he was the first European leader, who obtained a sight of the vast Ocean which separates America from Asia. In consequence of that discovery, the King of Spain, in the year 1515, sent Juan Diaz de Solis, who had previously sailed along the coast of Brazil, to attempt a passage to the South Sea and to India by the south part of America : but that commander and many of his people being killed in a quarrel with the inhabitants of the country bordering on the Rio de la Plata, the survivors returned to Spain.

The Spaniards were also unfortunate in an attempt to sail to India from some settlements they had recently formed on the south coast of Mexico. The vessels, which they built for that purpose, were constructed of some kind of timber liable to be so rapidly destroyed by the worms, that they were rendered unserviceable within a few weeks after their being launched ; and of course they were totally useless for distant voyages.

It was reserved for Fernando de Magalhães, a discontented Portuguese officer, who offered his services to Carlos, the new King of Spain, to conduct the first European vessels into the South Sea by a western course through the famous strait, which still retains his name, and thence to accomplish the passage to the Indian islands, in one of which, called Matan, he lost his life in a battle with

with the natives *. Of six vessels, which sailed upon this expedition, only one, called the *Victoria* † of the burthen of ninety tuns, returned to Spain in September 1522, having onboard a cargo of spices taken in at the Molucco islands, and with only eighteen men, surviving the battles and disasters of the voyage, who, having returned by the Cape of Good Hope, had the honour to be the first who ever circumnavigated the Globe. If Magalhanes had returned safe, he was to have had a patent for the exclusive trade with the countries discovered by him for ten years.

The King of Portugal, who had hitherto thought the navigation and commerce of the Oriental seas his own property, remonstrated against what he reckoned an invasion of his right: but not thinking it prudent to provoke the resentment of Carlos, who was now not only King of Spain and Sovereign of the seventeen rich provinces of the Netherlands, but also Emperor of Germany, he compounded the matter by paying him the sum of 350,000 ducats of gold, in consideration of his desisting from sending any vessels into the Indian seas. The Emperor accepted the money and the terms, on condition that he might resume the consideration of his right to a participation of the India trade on repaying the sum now deposited: and the bargain was confirmed by a treaty executed at Saragossa on the 22d of April 1529.

By this treaty the commerce of the Molucco or Spice islands was secured to Portugal, or at least relieved from the competition of Spain, as long as Portugal remained independent of Spain. But the subsequent union of these kingdoms exposed the Portuguese settlements to the hostilities of the English and the Dutch, the enemies of Spain, by whom the Portuguese were expelled from the Moluccos in the beginning of the seventeenth century.

After the discovery of the route to the Indies by the Strait of Magalhanes, many attempts were still made by the Spaniards and other nations to discover a more compendious passage, which all ended in disappointment. The Spaniards thereupon endeavoured to carry on a trade with the Spice islands from their new settlements on the west coast of America, in which they were more

* Some have asserted that Magalhanes (whose name we, following the French, have corrupted to Magellan) was the first who conceived the idea of reaching India by sailing to the westward. But it is certain that India was the object of Colon's voyages, and most probably also of the earliest Spanish navigators who followed him, as it undoubtedly was of Gavotta's

voyage from England: and we have just seen that Juan de Solis set out with the express intention of attempting the passage, which Magalhanes accomplished.

† The Spaniards, after her return, called this ship *The venerable Victoria*. They say, she sailed in this voyage 14,460 leagues, and crossed the Equator six times.

successful;

successful; and, in order to connect this trade with that of the mother country, the commodities and manufactures of Europe, and also those of India, were conveyed by land carriage across the narrow isthmus between North and South America.

Several fruitless attempts were made by the Spaniards to subdue the islands, now known by the collective name of the Philippines, before the year 1564, when an expedition was undertaken by Miguel Lopez de Legaspi, an experienced warrior, who was more successful than his predecessors. In the island of Zebu he founded a town called San Miguel: and afterwards, having reduced the great island of Luçonia to the yoke of Spain, he founded in it the city of Manila, destined to be the capital of the Spanish dominions in the Oriental seas, which, by being the emporium of the Spanish trade with America, China, and other rich countries and islands, has become exceedingly opulent, and is called by the Spaniards *the Pearl of the East*.

The Spanish colonists of Manila carry on a little trade with China in their own vessels: but the greatest part of their intercourse with that country is conducted by the Chinese, who come in their own vessels to Manila, and bring every article of the produce and manufacture of their vast empire, for which they receive payment mostly in silver, and to a prodigious amount.

The chief trade of the island, and almost the only one, in which the inhabitants are actively concerned, is the intercourse with Acapulco in Mexico by the annual ships, which are generally called galleons. The following account is given of the origin of this trade.

The missionaries, whom King Philip the Second, in his zeal for the propagation of the Catholic religion, had sent to convert the natives of the Philippine islands, represented to him that they could not perform the sacrifice of the Mass for want of flour and wine; and they proposed and requested that those necessary articles might be brought to them from Acapulco, the nearest Spanish port on the continent of America. The King, notwithstanding a strenuous opposition made by the Council of the Indies, acceded to the proposal of the missionaries, and licenced the Viceroy of Mexico to send every year a vessel of one hundred and fifty tuns to Manila, loaded with flour and wine; and he gave strict orders that no other merchandize whatever should be carried to or from Manila.

After the importation of flour and wine had gone on for some years in a strict observance of the royal mandate, the Viceroys of Mexico and Manila agreed between themselves that the annual vessel, instead of returning quite

empty to Acapulco, should carry a parcel of Chinese and Indian silk and cotton piece goods, to be sold for their joint account. When the energy of the Spanish Government declined, the vigilance of the Council of the Indies relaxed, or perhaps their complaisance to the Viceroy increased, in consequence of which the trade of carrying Oriental merchandize to Acapulco was carried to such an extent as to require two ships of from fifteen to eighteen hundred tons, which arrived annually at Acapulco, deeply loaded with rich stuffs of every kind, and also linens, made in China in imitation of the fabrics of Bretagne and Rouen, diamonds, pearls, spices, drugs, tea, porcelain, &c. sufficient for the whole consumption of the great province of Mexico. The returns consisted of cochineal, confections, mercery goods, some European trinkets, and the original articles of flour and wine: but the chief part of the return cargo has always been silver, to the amount of five or six millions of dollars. This trade, begun by the two Viceroy's for their own emolument, appears, upon the subsequent great augmentation of it, to have been shared by the inhabitants: and it became very prejudicial to the trade between Spain and Mexico by supplying the colonists with an innumerable variety of articles of Indian and Chinese manufacture, which by their superior cheapness, and most of them also by their superior beauty, rendered the rival European fabrics * in a great measure unsaleable, and very much impaired the King's revenue, not only by the deficiency of the duty upon merchandize exported from the kingdom, but also by depriving him of his share of the silver, which would be imported into Spain, if it were not diverted to Manila, whence it is carried to India and China.

It was apparently owing to this state of the trade, and to consciousness of a want of power to controul the abuses and infidelities of distant governments, that it has repeatedly been the subject of debate in the Councils of Spain under the Austrian Monarchs, and also under those of the house of Bourbon, whether the Philippine islands ought not to be totally abandoned. In the year 1720 the King of Spain, not willing entirely to give up the dominion of so many fertile islands, but yielding somewhat to the opinion of his Council, and the long-con-

* Very few of those European fabrics have been produced by the almost-extinct manufacturing industry of Spain, the merchants of which have only a transit profit upon the labour of the industrious nations, and very often only a commission, the goods being the real bona-fide property of foreigners, upon whose

account they are shipped for America in the name of the Spanish merchants, who are in reality only agents in the business. It is much to the honour of the Spanish merchants, that they have never been unfaithful to their constituents, even in time of war.

tinued clamours of the Spanish merchants, ordered a strict prohibition of the use of Chinese or Indian fabrics of silk or cotton in every part of his dominions in both hemispheres.

This order struck the colonists with consternation and despair, insomuch that many of them resolved to abandon the island of Luçonia, if the remonstrances sent home by the Governor, the Archbishop, the Magistrates, and, in short, by every community in the island, religious and civil, should not prevail with the King to repeal the fatal mandate: and, after a long controversy, they succeeded in obtaining a reversal of it in the year 1734.

Hitherto the Spaniards had had no direct commercial intercourse with the East Indies, except what they may perhaps have had in conjunction with the Portuguese between the years 1580 and 1640, all their voyages since the separation of Spain and Portugal being made to and from the west coast of America, (as they were before the union of the kingdoms) in compliance with the treaty of Munster, concluded in the year 1648, whereby it was agreed between the King of Spain and the States-General of Holland, that neither of them should use the East-India trade in any other manner than was then practised; that is to say, that the Dutch should only sail to India by the Cape of Good Hope, and the Spaniards only from their settlements in America.

Though treaties are professedly intended to last for ever, most of them remain unviolated no longer than till one of the parties finds an interest in breaking them. But no attempt appears to have been made by the Court of Spain to infringe this article of the treaty of Munster for almost a century. For, though an India trade by the Cape was proposed in Spain about the year 1720, it was not till the 29th of March 1733* that the King granted a charter to Don Emanuel-de Arriaga and his associates under the name of THE ROYAL COMPANY OF THE PHILIPPINE ISLANDS, vesting in them, during a period of twenty years, the exclusive privilege of trading to both sides of Africa and to all the countries beyond the Cape of Good Hope.—They may carry the royal colours upon their ships, which are exempted from all duties, in the same manner as if they actually belonged to the royal navy, their officers also being on a footing of equality with those of the navy.—They may export bullion without paying any duty.—The Company are to pay at Cadiz a duty of eight per cent on spiceries, and five per cent on all other species of goods imported by them.—The Company's capital shall consist of four thousand shares of one thousand

* So the date is repeatedly quoted in subsequent charters. But in some publications it is erroneously made the 26th of April 1732.

crowns (or dollars) each, to be subscribed at Cadiz.—The business of the Company is to be conducted by nine Directors, appointed by the King, each of them possessing twenty-five shares in the Company's stock.—The King subscribes for four hundred shares.

These are the most important of the very numerous articles of the charter of the Royal Philippine Company. The King, it may be observed, subscribed a tenth part of the whole capital. If that was done to allure his courtiers and other dependents to contribute largely to the subscription, it certainly presented a very degrading picture of the commercial resources of Spain. In a commercial country there is no need of such an example to urge forward a subscription; and the Sovereign leaves commercial undertakings to commercial people, all persons of every description being, however, at liberty to subscribe, or purchase stock. In this projected Spanish Company the stock of the retainers of the Court, when added to that of the King, would most probably have commanded a majority of votes upon every question, which must consequently have been determined by, what are called, reasons of state.

This Company never did any thing. Their inefficiency was ascribed by some to the late return of the galleons, and by others to the great influence of the Chinese merchants in Manila *; and there were many who believed that the project of the Company was contrived only for the purpose of stock-jobbing, without any intention of ever engaging in real commercial adventure.

After the complete failure of the scheme of an India trade to be conducted by this Company, there seems to have been no further attempt made on the part of Spain to make commercial voyages to India by the Cape of Good Hope till the end of the year 1764, when the King's ship, the *Buen Consejo*, sailed from Cadiz, and, passing the forbidden Cape, arrived at Manila, whence she returned to Cadiz in the year 1766 with a cargo of Oriental merchandize. Thirteen more voyages were made by the same route, the last of which was completed in the year 1784.

About that time the expiration of the privilege of the Royal Guipuzcoan Company of the Caracas was thought to present a favourable opportunity of employing their capital in a scheme of commerce, which should unite the trade of Asia and America with that of Europe. The plan was approved of by the King, who on the 10th day of March 1785 gave them a very copious charter, consisting of one hundred articles, of which the following are the most important.

* The preamble to the Royal charter of July 1803 ascribes their failure to the subse-

quent war, which, however, could not affect them till several years after their formation.

THE ROYAL COMPANY OF THE PHILIPPINES are established for twenty-five years, reckoning from the first day of July 1785.—The capital is to consist of eight millions of ‘ pesos sencillos,’* divided into thirty-two thousand shares of two hundred and fifty pesos each, to which all persons of whatever description, not excepting ecclesiastics, either individually or corporately, may be admitted to subscribe.—The King subscribes a million of dollars (‘ pesos fuertes ’) † for himself and his sons, besides his stock in the capital of the Caracas Company; and he hopes that the National Bank of San Carlos, and the other Banks in Spain and the Havana will show their zeal for the prosperity of the nation and the advancement of its commerce by subscribing largely. The Caracas Company shall be incorporated into the Philippine Company, and all their property of every kind be brought into the capital stock at a fair valuation.—The prosperity of the Philippine islands being one of the principal motives which induced the King, in his paternal love for his subjects, to establish the Company, three thousand shares shall be reserved for the inhabitants of those islands of every description, whether Spaniards or Indians, whether individuals or communities, to subscribe for them at any time within two years after the publication of the Company’s charter in the islands.—The shares may be transferred by indorsement ‡, as is practised in those of the National Bank, and at such prices as the parties may agree for. The Company are prohibited from borrowing money upon interest §. But, if they find a greater capital necessary, they may, with the King’s permission, raise an additional sum by a subscription among themselves.—A statement of the Company’s affairs shall be printed every year for the satisfaction of all concerned; and copies shall be sent to the agents in America and the Philippines.—During the term of the Company’s privilege no Spanish vessels, except those of the Royal navy and the Company, shall be permitted to sail to the Philippine islands or any part of the East Indies; and no other ships than those of the Company shall be allowed to sail direct from Spain to the ports of South America, the Philippines, or India.—The Company’s ships may trade to the other Spanish dominions in America, as other Spanish subjects do, but without any exclusive privilege.—The Company

* The peso sencillo is a money of account, valued at fifteen reales vellon, being exactly three quarters of the peso fuerte, which we call a dollar; so the peso sencillo may be rated at $3/4\frac{1}{2}$ sterling.

† In a subsequent charter the King’s stock is stated to have been 5,935 shares, which does not agree with this sum.

‡ The property of the shares was thus made to depend upon the preservation of the paper voucher, in imitation of the erroneous practice of the French East-India Company and of the Spanish National Bank.

§ This prohibition was soon repealed, or disregarded.

shall send every year 2,000 tuns of merchandize to Caracas, Maracaybo, and Cumana ; and 800 to New Spain.—The Company's ships may sail direct by the Cape of Good Hope, or they may call at Buenos Ayres : but, as the principal advantage of the Company, as well as of the State, consists in uniting the commerce of America with that of Asia, the King recommends to them to send their ships rather by Cape Horn, that they may trade in the ports of the South Sea, exchanging the merchandize of Europe for such articles of the produce of America as are wanted in the Philippine islands.—All kinds of merchandize, the produce of Spain or Spanish America, are exempted from paying customs : and foreign merchandize shipped onboard the Company's vessels in Spain shall pay two per cent *ad valorem*.—The Company may ship onboard each of their vessels 500,000 dollars (' pesos fuertes ') in coined money.—In order to enable the Company to obtain with facility the Oriental commodities necessary for their trade, Manila is declared a free port, during the term of the charter, to all nations truly belonging to Asia (' las ' naciones propiamente Asiaticas '), for the importation of their produce ; and they may carry home in return either silver, or European, American, or Philippine, merchandize, paying a duty of three per cent for silver, two and a half for foreign goods, and nothing for the productions of the Spanish dominions.—The Company may carry silver or merchandize to the ports of Asia, paying two per cent on foreign goods, and nothing on Spanish goods or money.—The Company shall not engage in any alliances without an express order from the King.—The Company are desired to charge their officers to give no cause of offence to any of the European nations established in the East Indies.—If the Company do not find sale for their East-India commodities within the kingdom, they may export them on their own account to foreign countries.—The Company may ship every kind of Oriental produce and manufacture, not excepting piece goods of silk and cotton of every description, at the port of Manila for Spain, without paying any duty whatever.—On their arrival in Spain they shall pay five per cent, rated on the current prices : and a drawback of three and a half per cent shall be allowed on re-exportation.—The laws, formerly promulgated for prohibiting the admission of muslins and other cotton goods, are repealed with respect to those imported by the Company, being first duly sealed in the custom house of Manila : but they remain in full force with respect to such goods imported by any other channel of conveyance.—For the encouragement of the people of the Philippine islands, all goods produced or manufactured by them are exempted from paying any duty, when shipped there, or when landed in Spain : but such goods, when

sent to America by the Company, shall pay the moderate duties payable by other Spanish subjects.—For the further encouragement of the subjects in the Philippine islands, they are authorized to ship their produce and manufactures on their own account for Spain in the Company's vessels, so as not to exceed the fifth part of the tunnage of any one ship, paying a moderate freight to the Company.—They may also trade to any part of India, the Company's exclusive privilege being restricted to the direct communication between India and Spain : and they may still carry on the commerce with Acapulco by an annual ship, in which the Company and all their servants are prohibited from being any way interested.—The Company's ships may carry the King's colours ; their captains and lieutenants shall be commissioned : and all their officers and seamen shall have all the privileges granted to those of the navy, and shall not be drawn off for any other service without the consent of the Company.—The first and second captains of every ship must be native or naturalized subjects of Spain : but the other officers, and a half of the ship's company, may be foreigners : and the officers of the Spanish navy may serve in the Company's ships without prejudice to their promotion.—The ships built for the Company shall have all the privileges which belong to those of the navy : and, during the two first years, foreign ships employed by them shall be exempted from the duties chargeable on foreign vessels.—Similar privileges shall be extended to their naval stores and provisions.—As the prosperity of the Philippine islands is closely connected with that of the Company, there shall be set aside one quarter per cent of the Company's annual profits, to be applied, under the direction of the Company's government at Manila, for promoting the agriculture and manufactures of the islands.—For promoting the same laudable object, the Company are required to carry out Spanish, or Catholic foreign, artificers and professors of science, who shall have the King's permission to settle in the Philippines, without any charge for their passage.—The Company shall receive onboard their ships the seamen of the Philippine islands, of whatever origin or colour they may be, who are willing to serve, so as not to exceed one third of a ship's company.—The Company's business is to be conducted by a Junta of government or direction, authorized by the King, and consisting of three Directors chosen by the Company, two by the National Bank, two by the Bank ' de los Gremios,' two by the Bank of Havana, and one by the Bank of Seville, if those bodies shall hold a sufficient amount of stock, and also two stock-holders, being in all twelve Directors, who shall meet weekly at the Company's house in Madrid.—The King's Secretary for the universal dispatches of the Indies shall call a meeting of the Junta, when he sees occasion, and act

as President.—The Company may employ foreigners in the factories, giving, however, on all occasions, a preference to Spanish subjects, if equally intelligent and experienced.—The factories of San Sebastian, and the others established by the Caracas Company in Venezuela, Maracaybo, and Cumana, may be kept up in their present state, or altered, as the Junta of government shall think proper.—Factories may also be established in Mexico, Vera Cruz, Lima; Buenos Ayres, and other chief towns of America, which shall be managed agreeable to instructions to be drawn up by the Junta of government.—The Company shall have a preference to all other creditors in recovering their property from any of their factors or servants, who shall become insolvent.—The Company shall every year make up a complete statement of all their effects of every kind.—They shall not sell their goods upon credit in Europe or in India.—In December every year a general Junta of all the proprietors shall be called, when the state of their affairs shall be laid before them.—The Company's dividends shall never exceed three fourths of the profits made in the year, and shall be regulated for every year according to the profits actually made good.—In consideration of the great distance of the Philippine islands, a Junta of government and direction shall be established in Manila, subordinate to the chief Junta in Madrid, who shall meet once every week, or oftener, for the management of the Company's affairs, regulating their proceedings by the instructions received from Madrid, and having also a discretionary power for cases not provided for.—Whatever further regulations or alterations, time and experience may show to be necessary, shall be confirmed by the King, who strictly enjoins all his Councils, Audiences, Viceroys, &c. to be aiding and assisting to the Company in guarding their privileges and promoting their prosperity.

Some of the Banks and other public bodies, besides what they subscribed of the capital stock, advanced money to the Company upon interest, as did also many individuals in Spain, Spanish America, and Holland.

The people of Manila, who were all in some degree connected with the trade of the Acapulco ships, were so far from receiving with gratitude the privilege of subscribing for three thousand shares of the Company's stock, which the King had reserved for them, that they treated the offer with the utmost contempt, and did all in their power to discredit the Company, and thwart them in their commercial operations.

Notwithstanding this discouraging reception, the Company's agents endeavoured to direct the industry of the aboriginal natives of the islands to the cultivation of indigo, cotton, pepper, and silk, which they wished them to regard as their principal staples.

On the 15th of August 1789 the King gave permission to all European vessels to import into Manila every kind of Asiatic merchandize, but by no means any European goods, and to receive in return the merchandize of Spain, Spanish America, and the Philippines, and any foreign goods imported by the Company, and also silver. This permission was to continue three years, reckoning from the first day of September 1790.

The liberty, which had been granted by the Company's charter to real natives of Asia to enter the port of Manila, had probably been accepted only by the Chinese, or rather they continued to trade as they did before. But the vessels, which arrived under Moorish, Armenian, and Portuguese*, colours, were mostly the property of the enterprising individuals, employed in the service of the English East-India Company, or trading under their protection, as was observed by the enlightened French navigator, Prouse, when he was in the port of Manila. The Philippine Company trusting to this passive kind of commerce, felt the want of assortment in the goods brought to them, and now availed themselves of the extension of the permission to vessels belonging to Europeans to contract with the English East-India Company for a regular supply of assorted India goods, to be delivered at Manila, and paid for in dollars. But this agreement was not productive of much effectual intercourse between the two Companies.

The Royal Philippine Company, to the formation of which the King and the Royal family contributed from their private funds, and the subscriptions of every public body, and even the ecclesiastical communities, throughout the vast extent of the Spanish dominions in the various quarters of the world, were solicited, never performed any thing worthy of the great expectations, which were held out to the Public by the Royal charter. A noble Spanish author †, who is sufficiently disposed to think well of them, has published very minute accounts of their commercial transactions from their commencement to the year 1790 inclusive, of which the following is the compressed substance.

* The Spanish Government apparently considered the Portuguese colonists in India as genuine Asiatics: and, in fact, they are very nearly such, there being scarcely any European blood in their veins.

† The Duke de Almodovar, who was Ambassador from the King of Spain to the Court of Great Britain, the author (under the as-

sumed anagrammatic name of Eduardo Malo de Luque) of '*Historia política de los establecimientos ultramarinos de las naciones Europeas*,' in five volumes 8vo. The first four are almost translated from Raynal: the fifth is entirely original, and is appropriated to the Spanish settlements and trade in the East Indies.

Reales velon *.

There were only 23,538 shares of the capital subscribed and }
 paid in (instead of 32,000 proposed) which amount to . . }

The capital of the Caracas Company incorporated . . . 23,720,625

Total capital joint stock 111,988,125

The Company borrowed in Spain, America, and Holland . . 79,999,677

whereby their trading fund was enlarged to 191,987,802

In five years the Company sent the under-mentioned number of ships and men to the following countries.

	1785		1786		1787		1788		1789		Totals.	
	Ships.	Men.	Ships.	Men.	Ships.	Men.	Ships.	Men.	Ships.	Men.	Ships.	Men.
Caracas and Maracaybo	4	112	5	154	5	144	4	107	2	50	20	567
New Spain	1	60	—	—	—	—	—	—	—	—	1	60
Buenos Ayres	—	—	—	—	2	100	4	200	—	—	6	300
Lima	—	—	1	120	—	—	—	—	2	239	3	359
Manila	1	128	4	631	2	232	3	407	—	—	10	1398
Totals	6	300	10	905	9	476	11	714	4	289	40	2648

During these years they shipped goods to the following amount :

	Foreign merchandize.	Spanish merchandize.	East-India goods.	Totals.
To Caracas and Maracaybo	16,432,179	6,323,892	327,574	23,083,645
New Spain	2,203,470	2,153,104	2,047,365	6,403,939
Buenos Ayres	1,129,459	1,105,725	255,514	2,490,698
Lima	8,182,908	7,774,521	1,310,306	17,267,735
Manila	1,197,172	5,790,301	. . . . .	6,987,473
	29,145,188	23,147,543	3,940,759	56,233,490
They paid in duties upon the forty cargoes				15,689,045
They paid for insurance, commission, and other charges				11,468,886
Total cost and charges of the forty cargoes				83,391,421

* The real velon is the twentieth part of a peso fuerte, or dollar ; and consequently equal to almost two pence three farthings sterling,

reckoning the par value of the dollar at four shillings and six pence sterling.

The.

Brought over

83,391,421

The following is the account of the sales, and stock remaining on hand, of the above cargoes, brought down to the 31st of December 1788.

	Sold.	Remaining.	
At Caracas and Maracaybo	26,175,498	16,050,708	
New Spain	1,440,935	7,808,205	
Buenos Ayres . . .	1,047,293	2,515,326	
Lima	8,452,514	18,779,955	
Manila	3,597,528	6,096,823	
		51,251,017	
		40,713,768	
Profit on this branch of their trade . . . }	. . . . .	. . . . .	8,573,364
		91,964,785	91,964,785

Profit on bottomry bonds, letters of credit, and bullion, as follows.

To Caracas and Maracaybo	28,846,260, which produced a profit of	577,465
New Spain	3,000,000	938,849
Buenos Ayres . . .	18,604,963	982,918
Lima	8,306,000	1,611,501
Manila	110,801,600	196,082
	169,558,823	
Profit on this branch of their trade . . . }	. . . . .	4,306,815

Their returns from America and the Philippines during the above-mentioned years were as follows.

	Invoice cost.	Duties.	Insurance, com- mission, &c.	Sales down to 30 Sept. 1789.	Remaining on hand 30 Sept.	Profits.
From Caracas and Maracaybo in 20 ships belonging to the Company, and upon freight in other ships. }	28,234,244	15,982,376	7,416,936	50,767,351	4,023,852	3,157,647
From India, China, and the Philippine islands in 9 ships. }	81,836,632	5,571,359	37,353,965	31,626,600	97,439,901	4,304,545
	110,070,876	21,553,735	44,770,901	82,393,951	101,463,753	7,462,192

Their total profits during these years are thus stated.

On merchandize exported	8,573,364
On bottomry bonds, &c.	4,306,815
On merchandize imported	7,462,192
	<hr/>
	20,342,371

But they expected to sustain a loss upon their slave trade, which, with some other deficiencies *, is taken at	4,290,740
	<hr/>

whereby their net profit is reduced to	16,051,631
	<hr/>

They possessed ships in port in India and Europe, and at sea, to the value of	11,838,500
and in buildings and other property	8,241,689
	<hr/>

Value of their dead stock	20,080,189
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From the above accounts it appears, that the exports to the Philippine islands, from which the Company take their name, were only equal to a seventh part of those to America: and such must ever be the case, while America is occupied by strong European colonies, with only a remainder of the aboriginal inhabitants, and among both classes manufacturing industry is almost unknown; and while the Oriental regions are fully occupied by the aboriginal people, who possess in the produce of their own soil and their own industry, almost every thing they can desire. We find, however, that the natives of the Philippines, whatever pains the Company's agents might take to stimulate them to exertion in preparing surplus produce for exportation, had made no great progress, as appears by the particular accounts of the cargo of each of the five last ships, which returned from the Philippines to Spain, before the end of the year 1790 †, in which the following are the aggregate amounts of the chief articles:

Indigo	69,900 pounds.
Silk	1,700 pounds.
Cotton ‡	180 pounds.
Cotton yarn	500 pounds.

* Quære, if a further deduction ought not to be made for interest on the money borrowed by the Company?

† There are also very particular accounts of the cargoes of the first four ships, which arrived in 1787 and 1788. But in them the Phil-

ippine goods, if there were any, are not distinguished from others.

‡ It is probable that the most of the cotton raised in the islands was carried to China, where there is a great demand for it.

Pepper	. . . . .	601 pounds.
Sibucao (or Campechy) dye wood	. . . . .	4,920 quintals.
Wax	. . . . .	2,927 pounds.
Sugar	. . . . .	80,500 quintals.
Nutmegs	. . . . .	244 pounds.

It is proper to observe, that the half of the indigo, almost all the sugar, and the whole of the nutmegs, were imported in the ship which arrived in the year 1790.

The commerce of the Philippine Company, as well as of most of the other East-India Companies of Europe, was very much deranged by the war, which was occasioned by the French revolution. Nevertheless, with the proceeds of the few cargoes which arrived *, and the sales of their stock of goods remaining in their warehouses, they paid off the money they had borrowed, and made some dividends of from five to seven per cent, but not regularly.

On the 12th of July 1803 King Carlos the Fourth gave the Company a new charter, by which—The term of their privilege is extended to the first day of July 1825.—The capital stock shall consist of twelve millions and a half of pesos, divided into five hundred thousand shares of two hundred and fifty pesos each, every peso being fifteen reales velon.—The King makes up his property in the Company's capital stock to three millions, nine hundred and forty-three thousand, two hundred and fifty pesos.—Foreigners may hold stock, and dispose of it at their pleasure, even if their Sovereigns be at war with Spain.—Twenty shares entitle the holder of them to a vote; and no person can have more than one vote, not even as proxy for another: but the representatives of corporate bodies, such as the province of Guipuzcoa, the Banks, &c. may have more votes.—The Company are not now prohibited from borrowing money, if the Junta of government and direction shall think it proper.—The three Directors chosen by the Company shall hold their offices for life, and receive an annual salary of 60,000 reales † each.—The accountant, secretary, and treasurer, shall also hold their offices for life, with salaries of 30,000 reales each.—The Junta of direction, established at Manila by the former charter, is suppressed.—The Company and their servants are, as before, prohibited from having any concern in the trade of the Acapulco ship; except that they may ship indigo and other produce of the Philippine islands for Acapulco, paying freight at the rate

* One ship, richly loaded, from Manila came to the European seas in the year 1794 under the convoy of Sir Erasmus Gower, when he

was bringing Lord Macartney home from his embassy to China.

† About £666 sterling.

of nine pesos * for every quintal; and they may receive American produce in return, for which they shall also have freight in the ship.—The Company are not to interfere with the people of the Philippines in the trade of the interior, nor in their commerce with any part of Asia.—The port of Manila is declared free to all the nations of Asia and Europe, but only for the importation of Asiatic merchandize, and they may take in return every article of Philippine produce, except cotton, the exportation of which is reserved to the Company and the people of the Philippine islands; and they may also receive foreign goods imported by the Company, and silver; the Philippine produce and foreign goods being exempted from duty on exportation, and the silver paying three per cent.—The Asiatic goods, on being carried into the interior of Spain, shall pay the alcavalas and cents only as Spanish merchandize.—Tea, and other Oriental merchandize, may be exported from Spain by the Company or by others, without paying any duty on exportation.—The Company's ships may sail from India or China direct for Spain without being obliged to put in at Manila.—They may establish factories on the continent of Asia.—In order to prevent the King's subjects in America from being disappointed of a proper supply of merchandize, which cannot easily be sent from Spain in time of war, and to open to the Company a channel for continuing their commercial operations, they are authorized to send every year, during war, all kinds of merchandize of the Philippine islands and of Asia in general, to the value of five hundred thousand dollars (‘ pesos fuertes ’), from Manila to Lima, Buenos Ayres, and other ports of South America, and to Sonsonate and Rialejo on the coast of Guatemala, for which they shall pay no duty in Manila, and shall pay thirteen per cent at Lima on the cost of the Asiatic goods, but nothing on those of the Philippines: and they may carry back the returns in dollars, on which they shall pay a duty of nine and a half per cent. This permission is to continue six months after a peace is announced in Manila.—The Company may engage in commercial speculations in Europe, as any other Spanish subjects may do †.

Since the late revolution in Spain the Company have done no business, and made no dividends.

* About £1. 10. 0 sterling.

† The other articles of the charter, not here

noticed, are either similar to those in the first charter, or of inferior general importance.

A REVIEW OF THE ARGUMENTS FOR AND AGAINST THE TRADE WITH INDIA, AND OF THOSE FOR AND AGAINST THE MANAGEMENT OF IT BY A CHARTERED COMPANY WITH A JOINT STOCK.

HAVING now laid before the reader a brief account of the rise and progress of the East-India trade in every country of Europe, which has engaged in it, and having in the course of the narrative shown the causes of its decline in several of those countries, I think it may be a proper and instructive sequel of the history to take a rapid glance of the arguments which have been adduced for and against the utility of the trade, and also, and more especially, of those for and against the policy and justice of conducting it by the agency of a Company, vested with exclusive privileges, and trading with a joint stock, as has been practised by every European nation concerned in the trade, except the Portuguese, whose King retained a monopoly in his own hands. Thus the reader will find, within the compass of one volume, the arguments adduced on both sides of this great controversy, and the facts on which those arguments are, or at least, ought to be founded *.

The reader has already seen that, soon after the commencement of the East-India trade in England, the trade itself, and those, to whom the charter of the Sovereign had conveyed the privilege, together with the charges and the risk, of conducting it †, had to encounter the enmity of two sets of adversaries; those who entirely condemned the trade, as hurtful to the nation; and those who, approving of the trade, and wishing to share in it, when they saw the experiment attended with success, asserted that every person, who chose to engage in it, ought to have perfect liberty to do so, and to conduct it in any way most agreeable to himself.

* Some facts, which derive their historical importance merely from being connected with the arguments, which they are adduced to illustrate, have been reserved to be introduced in this part of the work.

† The reader will remember, that in those days charters were given by the Royal authority, and were not supposed to stand in need of the sanction of Parliament.

Arguments against the Indian trade in general, and answers to them.

Ever since the age of Pliny *, and perhaps long before, many of those, who thought themselves qualified to judge of politico-commercial affairs, have cried out against the trade with India, as importing only luxuries, and carrying away gold and silver, the most valuable of all kinds of property : and during the last two centuries the defenders of the trade, who generally appear to have admitted, as an undeniable axiom, that gold and silver were really the most valuable of all earthly possessions, have endeavoured to ward off the later part of the charge by proving, that their own particular nation did not in reality lose any gold or silver by the trade, because the India goods, they exported to other nations, brought back as much of the pretious metals, as had purchased the whole quantities imported for home consumption and exportation, taken together. However true that may be of any one nation engaged in the India trade, it is certain, that Europe, taken all together, has sent many millions of money to India, which have never returned. What is the consequence ? Is Europe drained of money ? Are not the pretious metals much more abundant now in every part of Europe than they were before the importation of India goods was increased by the discovery of the route by the Cape of Good Hope, and afterwards much more increased by the establishment of the Dutch, English, and French, East-India Companies ? Those, who have not considered the subject, will answer, ‘ If there had never been any trade with India, we should have ‘ been so much richer as the whole amount of the money carried to that ‘ country ; and consequently the distress for want of money, under which ‘ many suffer at present, would never have been known.’—But, is there really any distress arising from the want of money † ? Is there not much more

* Pliny, after animadverting upon the extravagant waste of cinnamon in burning it with the bodies of the dead, and particularly at the funeral of Poppea, the wife of the Emperor Nero, says that ‘ At the lowest computation a ‘ hundred millions of sesterces are sent every ‘ year from the Roman empire to India, the ‘ country of the Seres (supposed China), and ‘ Arabia Felix. So much do luxuries and ‘ women cost us.’ [*Hist. nat. L. xii, c. 18.*] That sum, according to the calculation of Doctor Arbuthnot, contained as much silver as

£807,291 13 4 of modern British standard money. [*Tables of ancient coins, &c. p. 193.*]

† In every community there are, and ever will be, many individuals, whom misfortune or their own misconduct or idleness, renders indigent : and such will ever be the case, though money were a hundred times as plentiful as it is at present, because bread and the other necessities of life would infallibly be also a hundred times as dear as they are at present.

distress flowing from a *redundance* of money, or what passes for it? Does not every one, whose property consists of money, feel the ruinous consequence of it being too cheap, because it is too plentiful *? Every person, who has given any attention to political economy, will immediately answer the two last queries in the affirmative, and will see abundant reason to bless the gracious dispensations of the merciful and beneficent Providence of the Almighty, who has so ordered it, that the India trade arose to considerable magnitude at the same time that the American mines began to pour their treasures into Europe †, which has happily been preserved by the exportation of silver to India from being overwhelmed by the inundation of the pretious metals, as it must have been, had no such exportation taken place ‡.

The chief of the other objections to the India trade (for many trifling ones, unworthy of being mentioned, were started) were — That it wore out many ships, and consumed much of the timber proper for shipbuilding, and that many seamen lost their lives in India voyages, owing to the great length of time taken up in them, whereby the number of ships and seamen would be diminished, to the great damage of the country.—The stuffs imported from India would injure our woollen manufactures, &c. But the futility of these

* It is a curious circumstance that Xenophon, and apparently also the legislators of Athens, above two thousand years ago, saw the policy of exporting bullion in a truer light than some of our late, or even modern, political writers. Speaking of the superior commercial advantages of Athens, he says that, ‘The merchants of other cities are obliged to barter one cargo for another, because their money is not acceptable beyond the limits of their own country; whereas at Athens they may not only receive in exchange many valuable articles of general utility, but also, if they decline exporting our goods, they may receive payment in silver, by which they may make a considerable profit in any market they may carry it to.’ [*De vectigalibus*.]

† Raynal affirms, that the Spaniards must have abandoned their most productive mines of silver in America, as they have already abandoned many of the less productive ones, if the progress of the depretiation of silver had not been somewhat retarded by the exportation of it to India. [*Hist phil. et polit. V. iii, p. 169*,

ed. 1782.] The Duque de Almodovar in his *Historia politica de los establecimientos ultramarinos de las naciones Europeas, V. v, p. 65*, says the same thing. His work being partly a paraphrastic translation of Raynal, and partly original where he saw reason to vary from, or add to, his author, the repetition of the fact by a Spanish statesman of high rank may be received as a sufficient proof of the authenticity of it.

‡ This reasoning, it must be acknowledged, loses much of its force during the present extraordinary state of the money concerns of this country, occasioned by an emission of a paper ‘circulating medium,’ not convertible into real money, which may be increased *ad infinitum*, in almost every town and village of the kingdom. But it may be hoped, that such an unnatural order of things, in which the whole business of the nation is carried on without paying any money, but merely by turning over the creditor from one debtor to another debtor, will not continue much longer.

objections has been so often completely demonstrated, that it would be improper to detain any reader of moderate knowledge with any remarks upon them, especially after it has been proved by an investigation, made under the authority of Government, that the mortality of seamen in India ships, compared to that in slave ships, whose voyages were so much shorter, was somewhat under the ratio of 37 to 216; and late improvements in the Company's maritime regimen have reduced the mortality among their seamen to a level with that among an equal number of men residing on the land in a healthy country. Indeed, every body knows that Europe, and more especially this country, possesses incomparably more ships and seamen now than before the discovery of the route to India by the Cape of Good Hope, and that the increase of large and strong ships, and skilful seamen, is in a great measure owing to the India trade. As to the popular solicitude for the prosperity of the woolen manufacture, there can be no serious apprehension of the use of woolen cloth being ever superseded in this climate by any of the fabrics of India; and it is moreover sufficiently known, that the manufacturers have lately had more orders for goods than they could find either materials or hands to execute*.

Arguments against exclusive Companies, and answers to them.

In later times the benefit and utility of the India trade have been so universally acknowledged, that in almost every maritime country in Europe there has been a Company established under the authority of the Government for carrying it on upon a scale proportioned to the ability of the country: and in some countries many individuals, who were not associated in those Companies, have attempted to invade their privileges, and endeavoured to justify their invasion by arguments calculated to prove the necessity and policy of laying the trade open to the enterprise of all who may chuse to engage in it, which may at least be received as a further proof of the acknowledged advantage of it. This brings us to the second class of the opponents of the Company.

These have consisted chiefly of merchants, who seeing the prosperity of the trade opened with India by the efforts of the Companies of Holland, England, and France †, were very desirous of reaping a share of the advantages accruing

* Any more ample discussion of the arguments respecting the utility of the India trade, would be the more superfluous, as I have already had occasion to give the compressed substance of them in the early part of the history of the English commerce with India.

† The East-India trade of the King of Portugal could not be openly attacked by his subjects. But his servants, employed in conducting it, took such good care of themselves, that they left very little of the profit of the trade to their Royal Master.

from it, though they had had no hand in sowing the seeds which produced them. Their claims of a free participation have been revived from time to time; and they have been supported by some writers upon political economy; whose high reputation has given lustre to their cause, which has also derived no small support from the captivating sound of the word *Liberty*.

Of these writers the chief were

John De Witt, a celebrated statesman of Holland, who wrote about the year 1662;

The Abbé Morellet, who advocated the cause of the opponents of the French East-India Company in 1769; and

Doctor Adam Smith, whose valuable work, entitled ‘An Inquiry into the nature and causes of the wealth of nations,’ was published in London in 1776*.

De Witt's arguments against exclusive Companies, and answers to them.

De Witt, treating of the convenient situation of Holland for trade, says,

‘The conquered lands and strong holds of the East-India Company are now become very considerable, in order to secure to Holland the trade of all spices and Indian commodities, which is already pretty well fixed to it. And this improvement of trade might be made much more considerable, if the said conquerors would not, by virtue of their grant or patent, hinder all the other inhabitants of these lands from trading to those conquests, and to innumerable rich countries, where the said conquerors, for reasons of state, may not, or, for other reasons, cannot, or perhaps, will not, trade. Yea, though the said free trade of our inhabitants, to the greater benefit of the participants, were in some measure limited, and circumscribed, to those lands and sea-ports lying in their district, to which they never yet traded, I should then expect to see much more fruit of that trade and monopoly together, than of their monopoly alone: for if our East-India Company could find some expedient, either as to freight of goods to permit all the inhabitants of these lands freely to lade their goods onboard the Company's own ships, or to import and export all manner of goods to the places of their conquests and back to this country, or in process of time, by laying imposts on the consumption of the inhabiting planters, who would resort thither in great numbers by reason of

* I have not mentioned Pollexfen, who in the year 1697 published a pamphlet, called ‘England and East India inconsistent in their manufactures;’ because it is not worth while

to notice a work, in which the strength of the argument rests on the alleged pernicious consequence of exporting bullion, and in which the exportation is much exaggerated.

‘ a free trade, or by any other imaginable means tending to give it an open trade, they would thereby reap much more profit than the poor participants now commonly, and with much uncertainty, do enjoy *; and then, if afterwards the said participants would be persuaded to deny themselves so much of their privilege, or authorized monopoly, as to set open that trade in some good measure to the inhabitants of these United Provinces, it would questionless produce to our industrious and inquisitive nation so many new and unheard of consumptions of all our manufactures, especially of wool, and so great a trade, navigation, and commerce with that vast land of Africa, and the incredibly great and rich Asia, which lies so convenient for trade, that many hundred ships would yearly make voyages thither, and bring their returns hither, especially from and to Amsterdam; and by means of which alone we should certainly, and very easily, work all other foreigners out of those Indian seas. Whereas, on the other hand, to the end we may preserve our East-India trade, consisting yearly of no more than ten or sixteen ships going and coming, we find ourselves continually drawn into so many quarrels and contentions with those foreign nations with imminent danger of losing by such dissensions and wars, not only our European trade, but also those conquered Indian countries, and consequently the trade also, for want of planters, and by the excessive great expenses, which they must be at, more and more yearly, by reason of such great numbers of soldiers as lie in their garrisons, and which will much increase with their conquests, as (God amend it) hath but too plainly appeared by the West-India Company of this country.

‘ This advantage, which Holland hath for commerce and traffick, would be yet more improved, if the West-India Company in all places of their district would also set that trade open. And in case things are so constituted, that the East and West India trade cannot be preserved but by mighty Companies, as some indeed affirm who understand the India trade, and have the credit of affirming what they say with good shew of reason; yet this, however, must be confessed, that the said Companies, as now constituted, do attract and preserve to Holland all the trade which depends on their vast equipages, ladings, and returns.’ [*Interest of Holland, p. 31, English translation.*]

He afterwards says, that the establishment of an East-India and a West-India Company was ‘ a necessary evil,’ because private adventurers would not be

* The dividends, which the *poor* participants of the Dutch East-India Company enjoyed about that time, were indeed uncertain, as they

varied from $12\frac{1}{2}$ to 45 per cent. But the smallest of these dividends afforded an ample support to a frugal Dutchman.

able to resist their enemies : but that the trade being now well established, and many ' good and necessary conquests ' being made, the interest of the Companies and of the community at large have come to be opposed to each-other ; and he thinks that the settlements conquered by the Company would afford a great accommodation to the subjects of the United States trading to India. [p. 83.]

Here we see De Witt urging the same objections against the East-India and the West-India Companies, and at the same time seemingly acknowledging that both were beneficial to Holland, though the West-India Company were never beneficial, and at the very time of his writing were in a ruinous condition. Indeed, it is evident, that, however sound he may have been in some of the selfish maxims of politico-commercial economy, he had no proper conception of the very great difference in the methods and principles of conducting the trade of the East and the West Indies, whence it necessarily follows, that every conclusion drawn from the idea of assimilating them must be exceedingly erroneous. If his many hundreds of Dutch ships could have annually imported full cargoes of spices and the other produce and manufactures of India, and they could even have prevented all other European vessels from importing any, what could they have done with them ? Could all Europe and the European colonies in America have consumed them ? As to the annual hundreds of outward cargoes of woollen goods, and other Dutch manufactures, if he had paid due attention to the climate and fertility of India, and the manners and religion of the people, he must have been sensible that all the inhabitants of India would not consume as much as might have been carried in the ten or sixteen large ships, which he thought so inadequate to the trade, unless the number of consumers were prodigiously augmented, as he indeed proposes, by settling *populous colonies of European planters*, who must massacre the rightful owners of the land before they could find plantations to settle upon *. It might be observed also, that, whether the Dutch East-India Company acquired their settlements by fair and honourable means, or not, those of their countrymen, who had no concern in the acquisition, could not, upon any principle of honesty, pretend to take them from them, or even to partake of the accommodation afforded by them.

* The nations of hunters on the continent of America could spare a part of their lands to new settlers, who, applying to agriculture, did not require near so great an extent of country in proportion to their number. But every part

of India has been so fully occupied many centuries ago by agricultors and manufacturers, that there is no room for any additional population.

Neither does it appear that the Dutch Government ever made any claim upon the Company's territories *.

To the principal points of De Witt's doctrine may be opposed that of Wattel, who is considered as the very oracle of politicians. According to him

' Commerce is the common good of the nation, all the members of which
' have an equal right to it. Monopoly is therefor in general contrary to that
' right. To this rule, there are, nevertheless, some exceptions, founded upon
' the general interest of the nation: and in some cases a wise Government may
' justly establish a monopoly. There are some commercial enterprises, which
' cannot be accomplished without an armed force, and require great capitals,
' beyond the power of private individuals. There are others, which would soon
' ruin the undertakers, if they were not conducted with great prudence and har-
' mony of counsels, together with an unremitting perseverance in established
' maxims and rules. As such branches of commerce cannot be carried on by
' individuals, Companies are formed under the authority of Government: and
' as such Companies cannot be supported, if others are permitted to interfere in
' their trade, it is advantageous to the nation at large, that exclusive privileges
' should be conferred upon them. Thus have powerful Companies been
' formed in several countries for carrying on the trade with India.' [*Droit de
gens*, L. i, c. 8, § 97.]

Morellet's arguments against exclusive Companies, and answers to them.

In the year 1769 the Abbé Morellet published a Memoire upon the situation of the India Company of France, in which, after giving a history (not very candid or correct) of the successive Companies established in France for conducting the Oriental trade, he maintains, that the French East-India trade has never supported itself, even in time of peace, and consequently that the stock-holders, by persevering in it, must finally sink their whole capital, and ruin themselves and their creditors; that the Company's trade, instead of promoting the prosperity of the country, has been a heavy load upon it, requiring donations of public

* Most of De Witt's arguments have been again brought forward by the advocates of open trade in this country, and will therefor be more fully considered, when we come to the arguments adduced for and against the English East-India Company. However, before we entirely part with De Witt, it may not be amiss to observe that he was in the supreme govern-

ment of the United Provinces in the year 1665, when the Dutch East-India Company's charter was renewed for above thirty-five years (a longer term than the English Company ever obtained); so that, unless we suppose that he was outvoted, his conduct appears not to have been guided by the opinion he had published to the world a few years before.

money and bounties to the amount of 399,852,516 livres between the years 1725 and 1769 *; and that therefor it is for the interest of the State, as well as of the stock-holders themselves, that the Company should be abolished. He proceeds to show the facility of establishing a free trade, wherein, either ignorantly or wilfully, he prodigiously misrepresents the state of affairs in India, the mode of conducting the trade and navigation, and the principles of commerce in general. Like De Witt, he proposes, that the individual traders should have all the advantages of the forts and factories established by the Company, and he even proposes to keep up the name of the Company in India, in order to enable the private traders to enjoy the advantages arising from the treaties made by the Company with the native Princes, who, he supposes, are not to find out the deception.

Morellet was immediately answered by the celebrated merchant, M^r Necker, who was afterwards Minister of the finances. He observes that exclusive Companies for the East-India trade were established by the freest Governments in Europe, meaning those of Great Britain and the United Provinces; that the Government of France had always considered the Company as beneficial to the State; but, granting that the Government were mistaken, the Company ought no more to be deprived of their property on that account, than a soldier ought to be refused his pay, on the pretence that the war, in which he is employed, is unnecessary. He detects several gross errors in Morellet's statements of the Company's accounts. Against his *prospectus* of what the private traders *may perform*, he sets a *retrospect* of what the French Company *have performed*, in cultivating the Isles of France and Bourbon, establishing settlements and building towns, erecting forts and arsenals, building churches, hospitals, and other public edifices, paying judges, soldiers, &c. and, in short, defraying all the expenses of sovereignty, without which the trade could not be carried on: and he adds, that since the peace they have liquidated sixty millions of debts contracted by the King in India. Against Morellet's assertion of vast sums of the public money being given to the Company, he affirms that the money was neither under their management, nor employed for their service, and, that if the trade had been open to individuals, the protection of it must have cost the State an enormous expenditure, which has been defrayed by the Company. Finally, he observes, that Morellet continually sets up *theory against experience*, and *possibilities against facts*.

* Admitting Morellet's statement to be correct, how very opposite in this respect does the

East-India Company of France appear to that of this country.

There were also answers to Morellet published by the Comte de Lauraguais, M^r Godheu, and others ; and many publications on both sides appeared. But it is sufficient to notice the principal ones on each side.

Morellet very soon produced an Examination of Necker's Answer, which was written with great art. Instead of giving any answer to the innumerable difficulties represented by his antagonist as inevitably attending the private trade in India, he gives examples of the success of private traders in other branches of commerce, which nobody is inclined to dispute with him, but which have no points of resemblance to the trade of India. As an illustration of the ruinous tendency of Companies vested with exclusive privileges, he gives a list of fifty-five Companies formed in France, Spain, Italy, Holland, England, and Denmark, every one of which had either fallen (' tombée '), or had never carried their privilege into effect.

In order to swell out his list, he has inserted the names of several Companies, who never had any other existence than as embryo projects. But for specimens of his accuracy, such as we can best judge of in this country, we may take the Turkey Company of England, which, he says, fell in the year 1752, though it remains to this day ; and the East-India Company of England, established, as he says in 1608, and fallen in 1698 ; whereas all the world knows that it was established in 1600, and remains to this day, united with the New Company. What should we think of the integrity of a pleader, who should assert, that a merchant, who has long carried on trade by himself with success and reputation, and afterwards entered into partnership with another merchant, has failed, or given up business ? What should we think of the judgement of an historian, who should inform his readers, that the kingdoms of England and Scotland ceased to exist, when they were incorporated by the union under the comprehensive name of Great Britain ? Of those Companies who really failed (and there is no small number of them) many were ruined by the oppressions of their Governments, or by other causes, which would have been equally destructive to the trade of unchartered partnerships or individuals. And it must be acknowledged, though his list were perfectly correct, that the establishment of new chartered Companies, in place of those which had miscarried, is at least a proof, that several European Governments have thought very differently from M^r Morellet respecting the expediency of carrying on a very distant commerce by means of a Company.

It would not be supposed that Morellet should be adduced as a supporter of chartered Companies. But the defenders of the French Company actually derived a refutation of his arguments against chartered privileges from his own proposal

proposal of preserving the appearance of a French Company in India, on account of the grants made by the native Princes, and in order to protect the French private traders from being harassed by the agents of other European Companies. Thus, say they, this enemy of Companies acknowledges the necessity of keeping up the *appearance* of one, which, he flatters himself, will produce all the benefits which have been effected by real Companies. Of this curious project it is sufficient to say, that fictions will never long stand their ground; and that his proposal to have recourse to a shadow confesses the real utility of the substance.

They also objected to him a fact related by himself, that the merchants of Canton, who are concerned in the trade with the Europeans, are united in an exclusive Company under the superintendence of the Government. Behold, say they, the authority of the Chinese Government, so highly extolled for political wisdom, precisely according with that of the Governments of the commercial nations of Europe. Now, how does M^r Morellet imagine that his unconnected private merchants can avoid being entirely in the mercy of this united Chinese Company, who will immediately discover, that they have no connection with any of the great Companies, whom their own interest obliges them to respect *?

The authority of Montesquieu, the illustrious author of *The Spirit of Laws*, is also adduced for the necessity of exclusive Companies in some cases. ‘When the business’ says he, ‘is not above the reach of individuals, it is advisable not to restrain the liberty of commerce by exclusive privileges.’ ‘The liberty of commerce does not consist in every merchant being at entire liberty to do whatever he pleases, which would be very pernicious. There may be restraints upon the merchants, which are by no means restraints upon commerce.’ [*Esprit des Loix*, L. xx, cc. 10, 12.]

The authority of Ustariz, a celebrated Spanish writer upon ‘The Theory and practice of commerce and maritime affairs,’ is also produced by the friends of privileged Companies in France. After recommending free trade, as being in general preferable to Companies, he says, ‘It appears, however, advisable to licence a Company of merchants, willing to establish a limited

* Perhaps it will here occur to the reader that the American traders are situated at Canton exactly as the French private traders are here supposed to be: and probably they would feel all the hardships of such an unsupported

condition, if they had not the advantage of transacting their business under the shelter of European influence, which removes every difficulty.

‘ commerce and navigation to the East Indies by the Cape of Good Hope, by
 ‘ means of the Philippine islands, as some of his Majesty’s subjects have pro-
 ‘ posed, at their own expense, and without his Majesty risking his ships or
 ‘ treasure in such a distant navigation, or so uncertain an undertaking, as this
 ‘ may very probably turn out to be. However, as the proprietors are to enjoy
 ‘ all the profits, they may perhaps, by industry and perseverance, conquer the
 ‘ many difficulties that must evidently attend their undertaking. But when
 ‘ such a scheme shall be determined upon, proper restraints must be prescribed,
 ‘ that the commerce may be conducted agreeable to existing treaties, and with-
 ‘ out injuring the manufactures or the American trade of Spain. With these
 ‘ necessary precautions, his Majesty may with propriety assist them with artil-
 ‘ lery and ammunition, and grant them other encouragement at home and in
 ‘ the Philippine islands.’ [*cap.* 41.]

Thus does this friend of open trade propose, that an exclusive Company should take upon them all the risk of a new trade, and consequently, upon every principle of equity, be entitled to all the advantages to be derived from their own capital, their own exertion, and their own experience, and that they should even receive some assistance from the national treasury.

Arguments of Smith and others against exclusive Companies.

Having now very briefly glanced at the arguments adduced for and against the existence of privileged Companies in the two principal commercial countries upon the continent of Europe, it is proper to take a more extensive view of the controversy respecting the privileges of the East-India Company of this country. Their situation is, however, very different from that of the Dutch Company, who must have sunk under the mismanagement and speculation of their servants and the decline of the demand for spices, even if they had suffered none of the calamities of war, and from that of the French Company, who were ruined by being involved in frantic schemes of finance, mining, and colonization, besides the continual interference of an absolute Government in the management of their affairs, and the inexperience, or want of integrity, of the administrators forced upon them by the Government, who were not only ignorant of the principles of commerce, but apt to despise commercial pursuits as beneath the attention of gentlemen.

Ever since the first formation of the English East-India Company, their privileges have been keenly attacked by those who wished to avail themselves, without any expense, of the establishments and facilities created by the Company at a vast expense.

All the successive opponents of the Company have re-iterated the same arguments, which were so often urged and answered in the infancy of the trade *, with scarcely any addition of matter or strength, till Doctor Adam Smith published his ‘ Inquiry into the nature and causes of the wealth of nations,’ which every person, who has bestowed any attention upon the science of political economy, must consider as one of the greatest works ever produced by human judgement upon that most important subject; though, like other works of human judgement, it is not exempted from error. His almost unqualified reprobation of monopolies has been, ever since his work appeared, the rock, upon which the modern champions of open trade have erected their batteries to demolish the strong castle of the East-India Company, which has weathered the storms of ages. His opinions having acquired so great an authority, it is proper to lay them before the reader in his own words: but, before I proceed to quote them, I must take the liberty, as they are dispersed throughout his work, to reduce them to the following three propositions.

I) All monopolies and exclusive Companies are pernicious, except Companies for conducting the businesses of banking and insurance, for making navigable canals, or bringing water to a town, and the monopolies granted for limited times to the inventors of new machines and the authors of new books. The East-India Company, presuming upon their monopoly, and being incapable of economical management, confine the trade, and charge exorbitant prices for their goods; and therefor they ought to be abolished, that the trade may be conducted to greater national advantage by unconnected private adventurers.

II) The East-India Company are bad Sovereigns; their being Sovereigns makes them bad merchants; and their servants are oppressive and wasteful.

III) Their forts and territories ought to be taken from them, and made a source of national revenue.

Smith's first proposition, and arguments against it.

Doctor Smith, in support of his assertion that monopolies are pernicious, says,

‘ Except in Portugal, and within these few years in France, the trade to the East Indies has in every European country been subjected to an exclusive Company. Monopolies of this kind are properly established against the very Nation which erects them. The greater part of that Nation are thereby not only excluded from a trade to which it might be convenient for them to turn

* See above, pp. 85, 94, 107, 133.

‘ some part of their stock, but are obliged to buy the goods, which that trade
 ‘ deals in, somewhat dearer than if it was open and free to all their countrymen.
 ‘ Since the establishment of the English East-India Company, for example, the
 ‘ other inhabitants of England, over and above being excluded from the trade,
 ‘ must have paid in the price of the East-India goods, which they have con-
 ‘ sumed, not only for all the extraordinary profits which the Company may
 ‘ have made upon those goods in consequence of their monopoly, but for all the
 ‘ extraordinary waste, which the fraud and abuse, inseparable from the manage-
 ‘ ment of the affairs of so great a Company, must necessarily have occasioned.’
 [V. ii, p. 467, *ed.* 1793. See also V. iii, p. 144, where the same assertions are
 repeated.]

‘ That such Companies are not in general necessary for carrying on the East-
 ‘ India trade, is sufficiently demonstrated by the experience of the Portuguese,
 ‘ who enjoyed almost the whole of it for more than a century together without
 ‘ any exclusive Company.’ [V. ii, p. 471; and the same is repeated in
 p. 474.]

In these statements Doctor Smith betrays a deficiency of knowlege of the facts argued upon, which could not be expected in a man of such general knowlege and extensive research. The East-India trade of Portugal never was open to all the subjects of that kingdom. With the exception of the time when it was put into the hands of two short-lived and ill-constituted exclusive Companies, it was bound up in the very worst possible kind of monopoly, a monopoly restricted to the sole benefit of the Sovereign, as far as his authority could grasp it. But, notwithstanding every fetter which absolute power could put upon the conduct of his servants, the King found that he could not prevent their rapacious smuggling from tearing the greatest part of the commerce between Portugal and India out of his hands. In India, indeed, the trade was in a great measure left to individuals by the King, but made a job of by the Governors and other principal officers, who sold the licences for carrying it on to any adventurer, however worthless, who would purchase them, the consequence of which was, that the Indian seas swarmed with Portuguese pirates*.

* Though the historical fact of the royal monopoly has already been noticed in its proper place, it is necessary to mention it here also, because not only Doctor Smith, but every other advocate for open trade, has built very confidently upon the trade of Portugal with India

being conducted without any Company, which, with two temporary exceptions, is true. But it was very far from being a favourable specimen of the benefits expected from trading to India without a Company.

The assertion that monopolies are ‘established against the very nation which ‘erects them,’ and the necessary inference that they ought therefor to be abolished, will meet with the cordial and strenuous support of all who wish to partake of the benefits appropriated to the monopolists, and will probably receive the assent of all those, who, having never examined the subject, very naturally conclude, that entire liberty must in all cases be salutary, and that restraint of any kind must in all cases be pernicious ; while a third set, perhaps acting from conviction, perhaps stimulated by a desire of distinguishing themselves by the appearance of liberality in their principles respecting political economy, or by other motives, endeavour by their conversation, and some of them by their writings, to persuade the Public, that the East-India Company are not only a dead weight upon the national commerce, but are also ruining themselves by their trade ; though other opponents of the chartered monopoly assert, that the principal members of the Company are enriching themselves by excessive advantages ; and yet I do not remember to have seen any statement of advantages obtained by the Directors, or greater proprietors of the Company’s stock, beyond their dividends, for which they have paid their purchase money at the market price, and which they receive at the same rate with every other person, who holds the most minute share of the stock *.

Raynal, the philanthropic author of the History of the European settlements in the East and West Indies, whom nobody will suppose hostile to the greatest possible extension of commercial liberty, when treating of the question, Whether the trade with India ought to be perfectly free, or conducted by exclusive Companies, says, ‘The whole world allows that liberty is the very soul of commerce, and that it can be carried to its greatest extension only by liberty. ‘Every body will agree, that it is competition which develops industry, and ‘carries its exertions to the utmost point of which they are capable. Nevertheless, the facts of above a century † have been in continual and direct opposition to these principles.’ [*Hist. phil. V. iii, p. 186.*]

Every monopoly or restraint of any kind whatever must, in the very nature of it, be attended with inconvenience to some persons. But, if it is beneficial to the greater number of individuals, or to the Nation at large, a wise Legislat-

* It is needless to mention the small salaries paid to the Directors, which are inferior to those enjoyed by the secondary clerks in offices, and even by many clerks in merchants’ counting houses, and very far, indeed, from being a compensation for the fatigue, and privation of rest

and comfort, to which those gentlemen, and particularly the Chairman and Deputy Chairman, subject themselves.

† With respect to the English East-India Company, now above two centuries.

ure will resist the importunity and clamour of the few, who are, or think themselves, aggrieved by it, and support a measure, which, they are convinced, is productive of general prosperity. Of the many monopolies, kept up in this country, it is sufficient to notice two, which are both very popular.

The first is the Navigation act, esteemed the maritime Palladium of Great Britain, which is as much a monopoly against the manufacturers and consumers of this country, in favour of shipbuilders and seamen, as any exclusive charter to a Company can possibly be.—Shall the Navigation act then be repealed?—Let us consult Doctor Smith. He, though he points out many inconveniences arising from it, such as diminishing our foreign trade, especially with the continent of Europe, diminishing the trading capital, and contributing to raise the price of native and foreign commodities, says, ‘As defence, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations of England.’ [V. ii, p. 195.] Sir Josiah Child, who calls the Navigation act our *Charta maritima*, says, ‘In relation to trade, shipping, profit, and power, it is one of the choicest and most prudent acts that ever was made, and without which we had not been owners of one half of the shipping nor trade, nor employed one half of the seamen which we do at present.’ Lord Sheffield even goes beyond these two great authors in his estimation of the Navigation act, which in the beginning of his ‘Considerations on the commerce of the American States,’ a work composed for the express purpose of guarding against an apprehended relaxation of it, he calls ‘the guardian of the prosperity of Britain.’—And yet, nobody can deny that it is a monopoly.

The monopoly in favour of the woolen manufacturers of England against the feeders of sheep and the consumers of mutton, (and consequently of all other animal food, as the price of one kind regulates the price of the others) of candles, soap, and a thousand other articles, partly or wholly the produce of sheep, in short against every human creature in the kingdom, is supported by rigorous and vexatious laws for confining the wool within the country, and also by heavy duties paid by the consumers of foreign linen, and by considerable sums drawn from the public revenue in bounties upon the exportation of British and Irish linen, and in other allurements, calculated to reconcile the people of Scotland and Ireland to the less profitable manufacture of linen in preference to the more profitable manufacture of woolen goods. The woolen manufacture is, nevertheless, universally esteemed the most valuable branch of English industry, and, as such, has for ages been fondly cherished by the Legislature, insomuch that the East-India Company have been obliged by their charters to export a very
large

large quantity of it, though it is impossible to sell it in India or China for what it costs them ; and even the dead are not exempted from a compulsive support of it. Those who are concerned in it have been sometimes persuaded to join in the cry against the East-India Company, because they do not ruin themselves by exporting woollen goods in greater abundance than they do, in order to let them perish in India, where there can never be any great demand for them. The advocates for Doctor Smith's doctrines respecting privileged commerce will here abandon him, for he recommends a permission to export wool from England *. [V. ii, p. 504.]

The experience of two centuries has proved the wisdom of the most enlightened Governments in Europe in acting upon the sound politico-commercial maxim, that restraints, imposed in a particular branch of trade *for the benefit of the community at large*, are not injurious to any individual, and that the true liberty of commerce consists in granting to the trader all the facilities which are compatible with the real interest of the Nation, of which he is a member, and withholding from him all those which are incompatible with it.

This will probably not be denied : but the opponents of chartered privileges insist, that an exclusive Company for foreign trade can in no case whatever be considered as promoting the benefit of the community at large, but, on the contrary, excluding ' the greater part of the Nation ' from engaging in the trade in order to enrich a small number, and obliging all the other inhabitants of England to pay for the ' extraordinary waste,' &c. &c. of the Company's supercargoes and other servants, as well as their own extraordinary profits upon the trade, which they mismanage ; for says Doctor Smith,

' These Companies, though they may, perhaps, have been useful for the first introduction of some branches of commerce, by making, at their own expence, an experiment which the State might not think it prudent to make, have in the longrun proved, universally, either burthensome or useless, and have either mismanaged or confined the trade.' [V. iii, p. 110]

* Another consequence of the wool laws is, that they have brought down the quality of English wool, which was the very best in Europe some centuries ago, to such a degree of inferiority, as renders the English manufacture dependent upon the importation of Spanish wool, which has acquired its superiority by means of the English sheep carried to Spain in the reigns of Edward III and Edward IV. Doctor Smith is also of opinion that the wool laws have been injurious to the quality of

English wool, [V. i, p. 364 ; V. ii, p. 503] But he seems to have known nothing of the exportation of English sheep to Spain, the truth of which is even denied by some historians, though the vouchers for the fact are as full and clear as for any point of history ; and it was not unknown to the poet Shenston, who, in his eighteenth elegy, mentions it as a known fact, which he probably received from the tradition of the country.

' Without

‘ Without an exclusive privilege they have commonly mismanaged the trade.
 ‘ With an exclusive privilege they have both mismanaged and confined it.’
 [V. iii, p. 124.]

The representation of the grievous hardship of excluding the great body of the Nation from the trade, for the benefit of the few, is very plausible, and likely to catch the assent of those who do not bestow much thought upon the matter. Let us consider the effect of an abolition of this grievous hardship.—In the great body of the Nation there are but very few individuals desirous of entering actively into the trade ; therefor all the rest of the people, being at least 99,999 in 100,000, feel no deprivation of what they do not desire to have. The truth is, that the abolition of the Company’s privilege would deprive of their rights, held under the sanction of the law, and very much impair the property of, all the proprietors of India stock, whose number is most probably fifty times as great as that of the adventurers in the open trade would be in the first year after the abolition *, and five hundred times as great as it would be in the fifth year †. Neither ought it to be forgotten that there are at all times some proprietors of the stock of this envied monopolizing Company, who are willing to dispose of it, and that no person of either sex, or of whatever condition, age, religion, or country, is debarred from purchasing.

The grievous charge of ‘ the extraordinary waste, which the fraud and ‘ abuse, inseparable from the management of the affairs of so great a Company, must necessarily have occasioned ;’ has been superexaggerated by Smith from the exaggerated account of Dow, who wrote his History of Hindostan in the worst, and most unsettled, period of the Company’s administration, before their government was properly established. But what was then exaggerated censure, has become absolutely unfounded slander, ever since the regular system of the Company’s commercial and political administration has been brought to its present state, which is perhaps as near to perfection as any human institution can be : and there is every reason to believe, that the gentlemen, who for many years past have filled the various offices in the Company’s service, and have all been selected and regularly bred up for their respective branches of employ-

* On the 8th of April 1807 there were 2,045 qualified stock-holders, who voted at the election of Directors. [*Asiatic An. Reg.* 1807, *India house*, p. 31] In autumn 1810 there were 3,637 accounts for the stock-holders in the Company’s book : and, as many of them are joint accounts, the number of persons interested in the stock cannot be less than 4,000.

† See on this subject the opinion of Raynal [V. iii, p. 200] on the French East-India Company, who were never, in their best days, so beneficial to their country as the English East-India Company have always been, when their privileges were duely supported.

ment, are as expert in their several departments of business, as upright in their conduct, and as attentive to the interest of their employers, as any set of men in any part of the world.

Some of Smith's followers have so far improved upon his charge of extravagant emoluments being enjoyed by the servants of the Company, as to assert, that 'every individual concerned in the monopoly, from the Director down to 'the door-keeper of the palace in Leadenhall street, are amassing independent 'or princely fortunes.' It is not necessary to say, that this is mere rant. But, if any intelligent person should be induced by such statements to think for a moment, that the servants of the Company ought to have smaller salaries, a just and comprehensive view of the matter will convince him, that to withhold the fair and liberal compensation due to those who devote their talents and attention, during the greatest, or at least the best, part of their lives, to the service of their employers, would be neither just nor prudent. We have seen that the niggardly conduct of the Dutch lost them the great empire of Brazil : and indeed, with all their commercial wisdom, the conduct of the Dutch towards the people employed by them has afforded many strong proofs of the truth of the maxim, that excessive parsimony is as much contrary to real prudential economy as starving the body is contrary to salutary regimen. But granting, for the sake of argument, that the Company's servants may sometime be less economical in managing the affairs of their employers, or even unfaithful to their trust, (and where shall we find the human institution which can guard against all defects?) are not the Directors, who, by the constitution of the Company, must be proprietors of stock to a larger amount than most of the other stock-holders, impelled by interest, as well as duty, to check every improper expenditure, and bring delinquents to punishment? If the trade were divided among a thousand small traders, every one of them would have charges upon his portion of it; for there must be charges on small trade as well as on great trade. The merchant, who trades to the extent of £100,000 a-year, can better afford to pay £1,000 a-year to his clerks, than he, who trades for £5,000 can afford £150, the larger sum being one per cent, and the smaller three per cent, on the amount of the trade. Large payments are not in all cases imprudent; and, indeed, there is reason to believe that the expenses upon the Company's trade are lower than those upon the trade of the free merchants in India *.

* A respectable gentleman, who resided thirty years in India, declared to the Committee of the House of Commons in May 1809, that he found the charges upon the trade conducted by himself, with all the attention he could bestow

to economize them, run higher than those upon the Company's trade. His personal knowledge of the fact is rather preferable to Smith's random assumption.

Doctor Smith re-iterates his remarks upon the hardships of the inhabitants of England being obliged to pay, in the price of the India goods they consume, not only 'the extraordinary profits' made by the Company, but also to pay for the 'extraordinary waste' of their servants (in other words, to pay the charges of trade); whereas a boundless competition would very much reduce the price of goods in the English market, to the great benefit of the consumers. [V. iii, pp. 134, 144]

That a very great competition will produce an excessive depression of prices, which may afford a small temporary convenience to the consumers, is what nobody will dispute. But what was the consequence of the boundless competition, which took place in England for some years previous to the renewal of the Company's charter in October 1657, and again for a few years after 1698, when there were two established Companies, and two sets of separate traders, all courting sale by lowering their prices, to their own ruin *? If we apply to Doctor Smith for the answer to this question, even he will inform us, that 'The competition of the two Companies with the private traders, and with one another, is said to have well nigh ruined both.' [V. iii, p. 133] But this very competition, however ruinous to the traders and others, was exactly what Doctor Smith constantly recommends as the national *summum bonum* of commerce, in order to let the consumers have their tea, pepper, muslin, &c. a little cheaper †, and but a little cheaper; for he does not propose that the Government shall take off any part of the duties paid to the revenue, which, with the advance necessarily put upon them by the retailers, constitute the greatest part of the price paid by the purchasers for many species of India goods. Is there nothing else requisite to the happiness of a well regulated nation, than that individuals should be enabled to buy the articles, wanted for their consumption, under the fair price, which, Doctor Smith himself, allows, ought to return to

* See above pp. 123, 159.

† The interest of the consumers seems to be the only object in politico-commercial economy, thought worthy of the attention of a wise Legislature, by Doctor Smith. He says,

'Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer.' [V. ii, p. 515]

But he ought to remember, that all producers, from the capital artist who produces the most accurate chronometer, the most

perfect astronomical or mathematical instrument, or the most powerful machinery, down to the poor peasant who produces a crop of potatoes, or the poor woman who produces yarn to make fine shirts for the rich, are also consumers. The skill and labour of the producers, and the expenditure of the consumers are reciprocal benefits. But there can be no reason for preferring the interest of the *mere idle* consumer, who is useful to society only by his consumption, to that of the *industrious* producer, who is useful to society in both capacities.

the seller his first cost and charges with a sufficient profit? Was the ruin of the adventurers in the India trade, and of the monied people and manufacturers, who advanced their properties to them, and whose families and connections, through a great extent of ramifications, were rendered miserable by the enormous glut of India goods in the two periods now referred to*, a matter of no concern to a philanthropic and beneficent Government, whose duty it is, by every constitutional means, to prevent the subjects from running into ruinous projects, upon the same principle of public safety, which prohibits an individual from setting fire to his own house, which is adjacent to others?

To Smith's charge of the Company making the people of England pay in the price of their goods for their 'extraordinary profits' and the 'extraordinary waste' of their servants, it may be answered, that the Company are obliged by law to expose all their goods to public sale, and in lots within the reach of every dealer in moderate circumstances, and that none of them are ever bought in on their own account; so that the buyers have them at prices of their own making: and, that these prices are lower than on the Continent of Europe, is evidently proved by merchants from various parts of Europe purchasing East-India goods in London, rather than in their own countries. It is also a fact well worthy of serious consideration, that Oriental goods, imported by this monopolizing Company, have for thirty or forty years bypast been sold for less nominal money than they were a hundred years ago; whereas all other goods, not excepting the produce of the West-India islands, the trade of which is entirely open to all British subjects, have advanced to double, triple, or quadruple, prices. Notwithstanding these well-known facts, people can be found, even in the present day, to re-iterate Smith's silly complaint against the 'extravagant profits' charged by the Company.

The charge of confining the trade means probably (for it is not very clearly expressed) that more British goods ought to be exported, or more India goods ought to be imported, or both. But, if the exports are already greater than the consumption of India can take off, and it is an unquestionable fact that they are, and if the imports are fully adequate to the demand for home consumption and exportation, and it is not alleged that the market is not sufficiently supplied with India goods, that charge falls to the ground.

In order to procure to the consumers of India goods the most important and desirable advantage of buying them at very low prices, Doctor Smith proposes

* For one pointed instance (the others cannot be specified by name) see the fate of Courten, his partners, and creditors, p. 115.

to abolish the East-India Company, and to allow every British subject to send ships to India; for, says he,

‘ When a Company of merchants undertake, at their own risk and expence, to establish a new trade with some remote and barbarous nation, it may not be unreasonable to incorporate them into a joint-stock Company, and to grant them, in case of their success, a monopoly of the trade for a certain number of years. It is the easiest and most natural way in which the State can recompense them for hazarding a dangerous and expensive experiment, of which the Public is afterwards to reap the benefit. A temporary monopoly of this kind may be vindicated upon the same principles upon which a like monopoly of a new machine is granted to its inventor, and that of a new book to its author. But upon the expiration of the term the monopoly ought certainly to determine.’ [V. iii, p. 143]

In order to avoid multiplying quotations, it is sufficient to observe, that the propriety and justice, or rather the expediency, of abolishing the Company’s privilege, are inferred in every paragraph of Doctor Smith’s work, which touches upon the subject of exclusive trade.

He allows, that a Company may be chartered to open a new trade, and to encounter all the difficulties, and bear all the losses, inseparable from every untried enterprise. Then, after having smoothed the way, they are to retire, and let others reap the fruits of their labours. But where shall we find a set of people willing to clear the uncultivated land, plough the new fields, and sow the seed, with a certainty of not enjoying the harvest?

When the ‘ *dangerous and expensive experiment* ’ of an India trade was made in England, Queen Elizabeth, not inferior in political sagacity, and a keen perception of her own and the national interest, to any of the most enlightened speculative philosophers of the present age, assured the subscribers to the new Company, that, if the trade should appear to be beneficial to the realm, she would give them a renewal of their charter. But, at the same time she, very properly, reserved a power of annulling it upon two years’ notice, if it should be found to be hurtful. Thus the undertakers of a new and unknown trade had the Royal assurance of reaping their own harvest, if there should be a harvest; and if there should be none, they would undoubtedly be ready enough of themselves to abandon a losing business.

From the history of the early transactions of the Europeans in India we learn that, though some of the first trading voyages were made by ships fitted out by small associations, yet all the Nations, who engaged in the trade, the Portuguese only excepted, established Companies, more or less extensive according to their abilities,

abilities, as soon as they became sensible of the weight of capital required in the East-India trade.

The example of several of the most enlightened Governments in Europe establishing Companies with exclusive privileges for the trade with India, and continuing them during two centuries, notwithstanding the bitter outcries of individuals, evidently shows that they have found them beneficial. People may be made to mistake their interest for some time : but in the long-run they never fail to adhere to that which they find most for their advantage.

If we consider the nature of the trade, and those points wherein it differs from others, we shall find that the Sovereigns, who have established exclusive Companies, have been induced to do so by the consideration of the greater security of the merchants who employ their capitals in the trade, and also of the seamen, and the agents in India, and the natives of India.

All these arguments apply very well, say the advocates for free trade, to the state of things two hundred years ago, when the capitals of merchants were small, and their knowledge of Oriental trade and of navigation still smaller. But now the case is widely different. There is no trade too great for our capital, nor any navigation too arduous for our navigators ; and therefore, whatever might be alleged formerly, there can be no reason for debarring us now from a trade, which we are fully qualified to carry on to advantage. The French National Assembly abolished their exclusive Company in the first and best days of their revolution, and we ought to profit by their example.

These gentlemen are fully aware that the establishment of an East-India trade is not the work of a few years, nor, indeed, to be accomplished during the longest single life. They know that a Company must often sow with a liberal hand, that posterity may reap, and they do so upon a well-founded expectation that their own posterity, or those to whom they may assign their interest in the joint stock, shall reap the fruits of their labours. Let us suppose that a family of merchants or manufacturers have, by unremitting industry and perseverance in several successive generations, established a very great trade, and acquired a good landed estate, upon which they have built an excellent house for their own mansion, and commodious dwelling houses and work-shops for their numerous officers, workmen, and tenants, and have also made the land more productive *. Has any person a right to say to the chief of this family, You have possessed this property a long time, which is an inconvenience to me, as I want to reap

* The successive merchants of the family of Medici in Florence afford an illustrious example in a single family.

the corn upon some of the fields, which you have brought into cultivation, and also to make use of the houses and shops, which you have erected, for conducting my own business?—The example of the French Company is not well chosen. They were very different indeed from the Company of this country, having been bolstered up by the pecuniary aids and bounties of Government, and also in a great degree ruined by the interference of the agents of Government; though perhaps these circumstances were not taken into consideration by those who effected their abolition. It is not at all surprising that a people, newly emancipated from the fetters of a corrupted arbitrary Government, should run to the opposite extreme, and suppose that, in order to enjoy perfect liberty, they had only to demolish whatever had the appearance of restraint, however salutary. It is hoped that the French example will never be imitated in this country.

Doctor Smith, after discussing what he calls the *ripeness* of a nation for the East-India trade, exemplified in its effects upon a poor nation and upon a rich nation, says,

‘ There is no great branch of trade, in which the capital of any one private merchant is sufficient for carrying on all the subordinate branches, which must be carried on in order to carry on the principal one. But, when a nation is ripe for any great branch of trade, some merchants naturally turn their capitals towards the principal, and some towards the subordinate branches of it; and, though all the different branches of it are in this manner carried on, yet it very seldom happens, that they are all carried on by the capital of one private merchant. If a nation, therefor, is ripe for the East-India trade, a certain portion of its capital will naturally divide itself among all the different branches of that trade. Some of its merchants will find it for their interest to reside in the East Indies *, and to employ their capitals there in providing goods for the ships which are to be sent out by the merchants who reside in Europe. [V. ii, p. 472] ‘ The East Indies offer a market both for the manufactures of Europe and for the gold and silver as well as for several other productions of America †, greater and more extensive than both Europe and America put together.’ [V. ii, p. 470] After observing that the concurrent trade of the two Companies and the separate traders at the close of the seventeenth century brought a plentiful supply of India goods into the English market ‘ to the

* It was apparently in gratitude for this pleasing proposal, that one of those merchants gave the name of ‘ Adam Smith ’ to a ship of 800 tons. [*Asiatic Ann. Register for 1803, Bombay Reports, p. 166*]

† The quantity of American productions, that can be wanted in India, must be very trifling indeed.

‘ great advantage and conveniency of the Public,’ he adds, ‘ But that it should have raised very much their price in the Indian market, seems not very probable, as all the extraordinary demand, which that competition could occasion, must have been but as a drop of water in the immense ocean of Indian commerce *. The increase of demand, besides, though in the beginning it may sometimes raise the price of goods, never fails to lower it in the long run. It encourages production, and thereby increases the competition of the producers, who, in order to undersell one another, have recourse to new divisions of labour, and new improvements of art, which might never otherwise have been thought of.’ [V. iii, p. 134]

It is vexatious to be under a necessity of observing, in so respectable an author as Smith, a great deficiency of knowledge of a subject, upon which he has dogmatically decided. Throughout his whole work he has fallen into the same error with De Witt in supposing that the trade of the East-India factories and that of the American colonies are conducted in the same manner, and upon the same principles: nor does he seem to have ever suspected, that any thing further is necessary to establish a merchant in India than a competent capital and a proper connection at home. He must have imagined that the manufactures of India are supported by the capital and enterprising spirit of opulent manufacturers or great merchants, and that the labour of them is abridged by excellent machinery, and facilitated by a judicious distribution of it among the various classes of work-people, like those of this country. He must also have imagined that every individual of the very numerous population of India is a consumer of the exotic luxuries of Europe, which our ships carry out.

If Doctor Smith had reflected but a little, or made inquiry of those who could inform him, he would have known that there are scarcely any points of resemblance between the commerce of the East Indies and that of North America, which has been colonized within the two last centuries by British subjects. Almost all of those, who settled upon the continent of America, proposed, when they emigrated from their native country, to establish themselves and their families permanently upon lands, which they have since rendered valuable by cultivation; and the greatest part of their descendents are now a separate nation: but still their productive industry is chiefly exerted in agriculture and foreign commerce, there being scarcely any considerable manufacture carried on among them, except that of shipbuilding; and a very great part of the articles of their

* In India the legal interest of money is § 30.] Is such a rate of interest compatible with an immense ocean of commerce?

consumption is imported. In the British American islands, or West Indies, all the white inhabitants (the only human creatures possessing property and political existence) were born, or are descendents, not very remote, of people born, in Great Britain or Ireland *, who consider themselves only as sojourners in the islands, and look forward with anxiety to the time when the acquisition of a competency shall enable them to return to the society of their friends in their native country. In such a state of the population there can be absolutely no manufactures, unless we consider the operation of bringing the produce into a state fit for shipping it off as a rude kind of manufacture. In those islands all the white people, all their slaves, and even their horses, mules, and oxen, are consumers of British produce and manufactures: all their victuals and drink, their clothing, watches, jewels, ornamental furniture, and trinkets, their household furniture, their candles, their books and stationary of every kind, their agricultural tools and ironmongery of every kind, their paint and glass for their wooden buildings and shipping, their ship-chandlery, their boilers, stills, and all the iron and copper articles required for the machinery and utensils of their sugar works, the very lime used for tempering the cane liquor, their arms and military accoutrements, in short every article wanted for conducting their business, and for the support or the enjoyment of life, except rum for their drink, and a few articles of provisions raised upon the plantations or supplied by fishing in the sea, and some provisions and lumber imported from the continent of America, are all carried to them from Great Britain and Ireland: even their wine, though the produce of other countries, is supplied by British merchants, as were also their African slaves till the late abolition of the slave trade.

When the sugar, rum, coffee, pimento, ginger, cotton, and other articles of produce, are prepared for exportation, the proprietors of the plantations generally ship them on their own account and risk, thus uniting in their own persons the characters of cultivators, manufacturers of the produce in its first stage of preparation, and also of merchants, as far as concerns the exportation of their own produce from the islands, the sale of it in a British port, and the importation of all their necessary stores. The quantity of produce retained in the islands for their own consumption is very minute, and is but as a drop of water in the ocean (not immense) of West-India commerce. Of the proprietors of West-India plantations many are British merchants, and many others, who are not engaged in any business, except what is connected with their plantations, chuse to

* The native West-Indians are but few in comparison of the adventitious ones.

reside in Great Britain, where they expend the income derived from their property in the islands.

Such is the state of the population and trade of America and the West Indies. Let us now see how far they are like or unlike to those of the Oriental regions, the trade of which is appropriated to the East-India Company.

From what little we can see through the darkness of remote antiquity, the Oriental countries, and more especially India and China, appear to have been fully inhabited by civilized nations of industrious and ingenious cultivators and manufacturers very many centuries before the light of civilization, which is universally acknowledged to have arisen in the East, began to shine in the less fertile northern and western parts of the world. It has been noticed in the introduction to this work, that the first commercial adventure, of which we have any knowledge, was partly founded upon a trade with India, which may very probably have subsisted for ages before that time; and the trade between the several parts of India, by which the spicery was apparently brought within the reach of the Arabian traders, must have been still more antient, for spices must have been long in use, and established objects of commerce in India, before the Arabians could even have heard of their existence.

The sciences, and the arts of cultivation and manufacture, have been transmitted from father to son, through innumerable generations, occupying the same country which their ancestors occupied thousands of years ago, who, though they have been several times over-run, plundered, and subjugated, by foreign conquerors, still form nine tenths of the population *, even in Hindoostan, where the Mohamedans have been the governing people during many centuries: and, notwithstanding the softness and timid gentleness of their disposition, they still retain the manners and the religion of their ancestors, without the slightest degree of assimilation to those of their conquerors †.

* See above, p. 176 note, for Mr. Orme's estimate of the proportion of the Hindoo and Mohamedan inhabitants.

† In this respect there is a remarkable difference between the Hindoos and the antient Egyptians, whom some writers suppose to have been their ancestors, though they might with rather more probability be supposed their descendants, if there was any relation between them. Though both nations have been conquered by every invader who led an army into their country, the original population of Egypt, which

(notwithstanding the reveries of some antient, and some modern, authors) could never be very numerous, has been so far extinguished, and superseded, by successive adventitious colonies of the conquering nations, that they are not now to be found in the country, unless we shall think proper to recognize the Negro inhabitants of Upper Egypt as the remaining representatives of that much-famed Nation. Neither is there a vestige of their religion, their manners, or their learning, as far as is known to Europeans, now to be found in their country.

The Hindoo, born and desiring to pass his life in the same country, where his ancestors, through a long succession of ages, were born and passed their lives, whose food is rice, whose drink is water or milk, to whom wine or strong liquor is an object of abomination, and who, if he strictly acts up to his religious principles, would sooner lay down his own life than put any living creature to death *, or permit a morsel of animal food to enter his mouth, whose warm climate renders any clothing, beyond what decency requires, intolerable, and whose light clothing is made by himself and his family from the cotton produced in his own fertile fields, whose customs and religion, to which he adheres with the most inflexible constancy, render utterly inadmissible many articles of enjoyment and comfort, which our habits have rendered almost necessary to our existence, can never have any desire to acquire the produce or manufactures of Europe †. Hence it is evident that the exportation of European goods of any kind must be, and must ever remain, on a scale very contracted, compared to the population of the country, the demand being in a great measure confined to the small handful of Europeans, who are either in the service of the Company, or living under their protection, the degenerate posterity of the Portuguese colonists, some of the Mohamedan inhabitants, and, for jewels and trinkets of exquisite workmanship, a very small number of the most opulent of the Hindoos ‡. How very different is this order of things from that in America, where almost every article of manufacture is imported, or that in the West Indies, where the most necessary articles, as well as the most superfluous, are all imported from the mother country? Is it possible, that such a country as India, producing all the necessaries, and, to the extent of the desires of the inhabitants,

* Doctor Buchanan, in his '*Journey through Mysore, &c.*' tells us that a Brahman may lawfully kill his enemy in battle: and, indeed, many of the native soldiers in the Company's army are of that most rigorous cast.

† That the natives of India are prevented by their climate, and prohibited by their religion, from ever being consumers of European goods to any great extent, was observed long ago by Montesquieu. [*Esprit des loix*, L. xxi, c. 1.] Surely, with the superior knowledge we now have of India, a British merchant ought not to be ignorant in the beginning of the nineteenth century of what was known by a French philosopher in the early part of the eighteenth.

‡ The Committee of the House of Commons on the East-India Company's affairs, in May 1809, examined several merchants of London, who have resided in India, and now act as agents for the private merchants established there, who gave it as their *general opinion*, that the exportation of British goods to India might be greatly extended. But, when they were pressed by the Committee to be more particular, they acknowledged, that a full concession of all the facilities they could desire would only operate to make British goods cheaper in India, where, according to the evidence of some gentlemen before the same Committee, they are already too plentiful and *too cheap*, but could not increase the consumption among the natives.

all the luxuries of life, and a people of such simplicity and moderation, can ever, as Doctor Smith, imagines ‘ offer a market both for the manufactures of Europe, and for the gold and silver as well as for several other productions of America, greater and more extensive than both Europe and America put together *?’ The Doctor, however, filled with this magnificent idea, holds out to the private British trader the encouraging prospect, that, immediately on his arrival at any of the ports of the vastly extended Indian Ocean, he is to find many merchants ready to purchase his European merchandize, and eagerly competing for the advantage to be obtained by distributing his woolen cloths and other articles among the innumerable native consumers.—What a flattering prospect for the British manufacturers!

But Doctor Smith seems to have another resource for a copious augmentation of the British export trade. Paying no attention to the difference between the state of India and that of America when first resorted to by the Europeans, he apparently proposes to create a demand for European merchandize by establishing populous colonies; for he complains, that, ‘ Though the Europeans possess many considerable settlements both upon the coast of Africa and the East Indies, they have not yet established in either of those countries such numer-

* The following statement serves to prove that the consumption of India, instead of being capable of an infinite extension, is liable to be glutted by a very trifling excess beyond the usual supply.

The estimated amounts of the goods carried to India by the commanders and officers of the Company’s ships, calculated on the tunnage and value expressed in their applications to the Court of Directors for permission to ship them, were in the year 1784 £110,410
 1785 139,280
 1786 153,340
 1787 122,490
 1788 118,930
 1789 118,310
 1790 124,050

On the 25th of November 1789 the commanders and officers, returned in that year from India, represented to the Directors, that the markets in India were overstocked, and they were distressed, in many instances almost to

ruin, by the badness of their sales, and prayed for a remission of the duties payable to the Company upon their investments. The truth of their allegations being attested by the Governments of Bengal and Madras, their petition was complied with.

Such instances were then rare, and may therefore be admitted as some test of the real state of the Indian markets: for the exports in the three years 1785—1787, which average about £138,337, are little more than £20,000 above the average of the preceding and subsequent years, which is £117,925; and in the last year the amount is raised above the two preceding ones in consequence of the demand, which succeeds the expended operation of the glut. Behold how small a matter was sufficient to make a distressing overflow in ‘ the immense ocean of Indian commerce.’ [*Report of the Select Committee of the Court of Directors, September 1791.*]

‘ous and thriving colonies as those in the islands and continent of America *.’ [V. ii, p. 473] But, though thus persisting in the notion of subjecting the trade of the East Indies and that of America and the West Indies to the same system of colonial and commercial policy, he acknowledges, that ‘it is more difficult to ‘displace the natives’ of Africa and the East Indies than those of America. Are we thence to infer, that the *displacing*, which can mean nothing else than the *expulsion*, or rather the *extermination*, of the rightful proprietors of the soil, who have no land to spare for coexisting strangers, ought to be undertaken, *if not too difficult*, by a civilized and enlightened people, professing a religion whose characteristic is mildness, and which exhorts us to do to others as we would wish that they should do to us? But, supposing there were plenty of vacant land, ready for the reception of colonists, we must remember, that the land cannot be cultivated in the torrid zone but by the labour of Negro slaves, as we are assured by most of the West-India planters; and it is evident, that Negro slaves (granting, for argument’s sake, that slavery were justifiable) cannot be retained in rigorous bondage upon a great continent, as they can in our small sugar islands; and it would be still less possible in Africa, the continent in which their natural home is. If free labourers could be introduced, there could be only one objection to colonizing the west coast of Africa, where there is abundance of fertile land, thinly inhabited, which might be honestly purchased from the proprietors; and that is, that *the ruin of the West-India islands, which we have colonized already, and are therefor bound to support, must be the infallible consequence of the prosperity of colonies of similar production so much nearer home; for the whole world does not afford a demand for a double supply of sugar and other West-India produce.* The Doctor proceeds to complain, that the genius of exclusive Companies is unfavourable to the growth of new colonies, and has probably been the principal cause of the little progress which they have made in the East Indies. [V. ii, p. 474] But the colonies settled in India by the Portuguese, who seem to be his favourites when upon the subject of East-India commerce, though not impeded in their growth by a Company, were partly the cause of the downfall of their power in India; and the descendents of their colonists form at this

* King Charles the First accused the East-India Company of neglecting to settle colonies. [see above, p. 112] Such mistaken ideas might be excusable in the infancy of the trade, and especially in a time when a rage for colonizing

prevailed through a great part of Europe. The present age has discovered that populous continental colonies, less remote than India, cannot be retained in subjection to the mother country.

day the most contemptible part of the population of the country. Perhaps it may be alleged that colonies from other European nations will not sink into the wretched abyss of superstition, which has very much contributed to the degradation of the Portuguese in India. That may be granted : but the physical obstruction to the prosperity of European colonies in India is insuperable, being the effect of the operation of Nature, by whose unvarying laws, as demonstrated by the experience of ages, men, animals, and even plants, brought from other countries, are ordained to degenerate in the course of a few successions in India, while the indigenous men, animals, and plants, retain their original character and state of existence unimpaired. Where could any people be found more robust, or more dauntless, than the Mogul conquerors of India ? To what state have the influence of the climate, together with indolence and voluptuous indulgence, reduced their modern descendents, especially those of the higher ranks ? With what facility are numerous armies of them defeated by handfuls of European soldiers ?

In case of the establishment of British colonies in every part of India, and such establishment must inevitably follow an unlimited and uncontrouled trade, such colonies, by receiving continual recruits from the mother country, would very probably preserve more of the original energy than the Mohamedan or Portuguese colonies have done. But what will be the consequence ? Is it not as certain as any thing in the womb of futurity can be, that such colonists will soon become dissatisfied with the obligation of bringing their ships to Great Britain, and, in order to enjoy an uncontrouled trade with all the world, will, as soon as they feel themselves strong enough, follow the example of the colonists in America, and shake off all dependence upon the British empire. Such a consequence of colonization did not escape the sagacity of the Marquis Cornwallis, whose political wisdom was not inferior to his military valour and experience. That illustrious veteran, after being several years Governor-general of India, in a letter of November 1794 (soon after the commencement of the present system of private trade) says ‘ I am strongly impressed with a conviction, that it will be of essential importance to the interest of Britain, that Europeans should be discouraged, and prevented as much as possible, from colonizing and settling in our possessions in India.’

Let us now attend to Smith’s proposed extension of the importation of Indian commodities, which is attended with many more difficulties in the purchase, and also in the sale of them, than were conceived by him, or acknowledged by his followers, who have assumed, as an incontrovertible proposition, that ‘ *the immense ocean of Indian commerce*’ only waits for the animating impulse of a sufficient

sufficient number of British merchants to put it in motion. They have no doubt that the private trader, after having disposed of his outward cargo with great profit, will find all the native merchants and great warehousemen in every one of the ports of the Indian Ocean anxiously courting his preference in chusing his homeward cargo out of the ample assortments of goods, which are piled up in their spacious warehouses, and only waiting his order to be sent onboard his ship : by means of this competition among the sellers he is to lay in his goods of the choicest qualities, and at very low prices ; and there is no danger of their being raised by the European demand, which, when even prodigiously augmented by the boundless freedom of trade, will be still ‘ but as a drop of water ‘ in the immense ocean of Indian commerce.’ In short, we are required to believe, that business, to any amount, may be transacted with the same ease, dispatch, commercial confidence and punctuality, in every port of India as in Great Britain. Doctor Smith ought to have known, and at least some of his followers (or their instructors) do know, that there are no great stores of goods in India, and that the manufacturers do not, like those of this country, prepare goods to be ready for the order of a purchaser ; that they all are, or pretend to be, so exceedingly poor, that the employer must advance one third of the price when he orders the goods, another third when one half of them are delivered, and the last payment must be made as soon as the order is completed. After all this loss of time and advance of money, the goods are to be put into other hands in order to receive the finishing touch, which occasions a further expense of time and money. In like manner a part of the price of pepper and other articles of agricultural produce is usually advanced before the crop is gathered.

As to the notion of new divisions of labour, and new improvements of art, which, Smith foresees, will arise from the increase of demand in India, he ought to have known, that every man is obliged to adhere invariably to that branch of business, which his father, his grandfather, and other progenitors, adhered to ; and consequently all new divisions of labour, all improvements, and also the convenience of changing hands from a branch of manufacture, not in request, to another branch, more in demand, are rendered almost impossible by the prejudices of education and the force of habit and custom.

Doctor Smith, if he had known the state of the manufactures, and the customs of the trade, in India, would perhaps have told us, that the merchants, who reside in that country, will employ their capitals in providing goods for the ships, which are to be sent out by other merchants, who reside in Europe : and it is very certain that there are merchants at present settled in India, not in the service of the Company, but licenced by them, who do employ their capitals
in

in making such provision of India goods. But they are enabled to do so only by having the benefit of the Company's established factories, and being treated by the people of the country, with the consideration and respect, which are paid to every person connected with the Company: and it cannot be denied, that their goods are often procured by their agents seducing the manufacturers to let them have what have been provided with the money advanced to them by the Company.

But those merchants are only to be found at or near the Company's factories*; and the advocates for a boundless free trade will need to consider what will be the state of the trade, if the Company's privilege is abolished, and their factories are either gone to decay, or are in the possession of other European Companies, and how the trade is to be managed in places where there are no factories; for the new traders are to run their vessels into all the ports on every coast eastward from the Cape of Good Hope as far as Cape Horn, the southern extremity of America, most of which, they say, have been neglected by the Company, who, they allege, wish rather to contract the trade, that they may have enormous profits upon a small capital, than to push it to the great extent of which it is capable; forgetting, or not willing to acknowledge, that the Company have established factories in many parts of India, whence they have withdrawn them, when they were convinced, after a trial more full and deliberate than any private merchants will, or can, bear the expense of, that the trade could not support itself; and also forgetting, that the British merchants already established in India are fully competent to manage all the trade which the Company may find it prudent to relinquish to them, and which they may be enabled by their local knowledge and the comparative shortness of the navigation, to render profitable to themselves; though the greater length of the voyage must render it utterly impracticable to merchants of Great Britain; and that those merchants actually do trade to every country between the Cape of Good Hope and the farthest Oriental islands†.

A later

* In order to prevent any occasion of offence to the people of the country, and also to guard against forming connections to the prejudice of the Company, all persons licenced by them to go to India, and not in their own service, are obliged to find sufficient security in England for their observance of the Company's regulations, by one of which they are bound to reside at the factories or settlements, or at farthest not above ten miles from one of them,

unless particularly licenced by the Court of Directors, or by the Governor in Council.

† For Sir Thomas Roe's decided opinion, so early as the year 1616, on the impolicy of establishing too many factories, see his letter addressed to the Company, while he was residing as Ambassador from the King, but at their expense, at the court of the Great Mogul, in *Purchas's Pilgrimes*, L. iii, p. 590.

For

A later author, however, after asserting, that there are numerous ports in the rich kingdoms of India, Persia, and Japan, where at present the British flag is unknown, assures us, that, instead of exporting our products and manufactures to the amount of only half a million annually *, they may be carried to those wealthy regions to the amount of ten millions annually, and the trade must be continually augmenting. Such an augmentation of the India trade would 'increase national power, wealth, influence, and respectability. Taxes would be lessened, and the people would be generally, but moderately and gradually enriched.' At the same time that the taxes would be lessened, the revenue and maritime force of the British empire would be augmented by the increase of our trade with India: for if one million of annual exports and imports produce £200,000 of duties, ten millions must produce £2,000,000; and if the present trade employs 6,000 seamen, the increased trade will employ 60,000†. This happy extension of the India trade would alleviate the national burthens, 'and our national wealth and naval greatness would rapidly arrive at an unexampled height of prosperity and grandeur.'

What a delightful prospect for John Bull, to have his burthens alleviated (and it must be owned that they need some alleviation) and that by the wonder-

For the amount of the money expended in making experiments of a trade with Japan, see above, p. 144.

The French, in imitation of the English, (as stated by a French writer) made several voyages to Bender-Abassy (or Gombroon) and Bassorah in the Persian Gulf; but they have all been unfortunate, and ruined the merchants, who undertook them. — The French have had many posts and factories in the eastern parts of Asia and the islands, which they have abandoned. — The Dutch have also abandoned some of the settlements, which they had formed, when they found them unprofitable. — And other European nations have done the same. [*Etat actuel de l'Inde*, 1787, pp. 49, 100, 109, 112]

The scheme of making a vast increase of the East-India trade by establishing new factories in every port of the Indian seas, reminds us of the fancy of the maniac, who, observing that a great deal of money was raised by the customs, proposed to raise funds for paying off the national debt by erecting custom-houses along the side of the Thames all the way from London to Gravesend.

* For the amount of the exports to India, rather more accurately stated, see the Table of Shipping, Exports, and Imports, in the Appendix, N^o VII.

† I am again obliged to call the attention of the reader to the Table of Shipping, Exports, and Imports, by which he will see that the annual amount of exports and imports, taken together and exclusive of bullion, of late years has been about *ten or twelve millions*. By a glance of the accounts of the shipping of the British empire, presented annually to Parliament, it appears that about 12,000 seamen sail and arrive in the Company's ships every year; and, as the ships cannot return sooner than the year after that in which they have sailed, it follows that there must be at least 24,000, or more probably 30,000, seamen constantly in their service. So very far has this writer's eagerness to deprectate the present India trade misled him. Neither is he better informed respecting the revenue derived from the India trade, which, in its present state produces about twice as much as he prophesies the amount of it to be from a tenfold increase of it.

ful means of increasing his expenditure of Indian commodities in a decuple proportion ! And how clearly and mathematically is this comfortable increase of revenue demonstrated by the rule of three, which the schoolmasters, in admiration of its infallibility, have dignified with the name of the golden rule. The rule is very good, when properly applied : but unfortunately it has often been very injudiciously applied by people, who did not attend to Dean Swift's observation, *that two and two do not always make four in the arithmetic of the customs*. Let us try the application of the rule in the case now supposed, by taking some one article of the Company's imports. Let us suppose, that instead of 20,000,000 of pounds of tea, the quantity required at present for the annual consumption of these kingdoms, the very numerous new traders could procure in Canton, *without any advance of price*, and import into this country, 200,000,000 of pounds in a year, what would be the consequence to the importers and to the revenue ? — At whatever price it might be sold, and it would be sold a great deal under prime cost, very little more, or, most probably, no more, would be consumed than is consumed at present ; therefor about nine tenths of it must remain in the warehouses, under the keys of the revenue officers, as the property of the importers, till it can be exported for the small sale of the Continent (another hopeless adventure), or sold for home consumption, or perish. The distress of the first importers will be aggravated during the next subsequent year by the competition of other importers, who, not knowing the state of the market, have strained their abilities to add to the ruinous glut, after which the importation will cease *. The duty is not payable till the tea is delivered out of the warehouse, and therefor no more, or very little more, will be paid to the revenue than is paid at present : in two or three years the people will either be deprived of their accustomed beverage, or be obliged to use damaged tea ; the duties now paid upon tea, and also those upon sugar, its inseparable attendant, will fall off ; the trade will be deranged † ; the present considerable exportation of British merchandize to China, comprehending woolen manufactures to the annual amount of about one million, will be interrupted, if not totally abolished ; British seamen, instead of getting additional employment, will be thrown destitute, and obliged to offer their services to the

* The effect of a glut, here exemplified in the article of tea, would be the same in all the other articles of Indian produce and manufacture. That this is no ideal case, but what has actually taken place formerly, the reader may easily satisfy himself by turning back to p. 160.

† The Company are obliged by law to have always a sufficient stock of tea in their warehouses, and to make a sale every three months of a quantity sufficient for the supply of the country.

Americans or other foreigners * ; and the prediction of the taxes being lightened, and the naval power of the country being augmented † by the unbounded extension of the India trade, if not entirely forgotten, will only excite the laugh of scorn or the sigh of melancholy.

In all the acts of Parliament concerning the Company's privilege it is provided, that, if the Legislature shall think proper to refuse a renewal of the privilege of exclusive trade, the Company shall still have a right to continue a corporate body, and to trade to India with their joint stock, in concurrence with other British subjects. But in such a state of their trade, Doctor Smith, who perceives no difference between the East-India trade and any other foreign trade, foresees that the Company will not be able to compete with their new rivals ; for, according to his idea of the trade, ' To buy in one market, in order ' to sell, with profit, in another, when there are many competitors in both ; ' to watch over, not only the occasional variations in the demand, but the much ' greater and more frequent variations in the competition, or in the supply ' which that demand is likely to get from other people, and to suit with dexterity ' and judgment both the quantity and quality of each assortment of goods to all ' these circumstances, is a species of warfare of which the operations are continually changing, and which can scarce ever be conducted successfully, without such an unremitting exertion of vigilance and attention, as cannot long be ' expected from the Directors of a joint stock Company. The East India Company, upon the redemption of their funds, and the expiration of their exclusive privilege, have a right, by act of Parliament, to continue a corporation ' with a joint stock, and to trade in their corporate capacity to the East Indies ' in common with the rest of their fellow subjects. But in this situation, ' the superior vigilance and attention of private adventurers would, in all ' probability, soon make them weary of the trade.' [V. iii, p. 144]

A writer of ' Considerations upon the trade with India,' after quoting this passage, exclaims, ' It is impossible to add any thing to arguments so invincible.' But, notwithstanding this decided suffrage of applause, it may be at least doubted, whether every person, who considers the matter, including even

* One of the benefits promised by the prediction is, that British seamen, now lost to their country by being in foreign service, will be brought home by getting employment in the new India ships—Can the present vast British navy, and the present unprecedented number of British merchant vessels, not find employment

for all the British seamen? Are we not obliged to admit foreign seamen for want of a sufficient number of British ones?

† It is very well that the naval power of the country has no need of such chimerical augmentation.

the warmest friends of open trade, will not be sensible, that the extensive information, requisite for suiting the quantity and quality of each assortment, is just that branch of the knowledge of the business, in which the separate traders would evidently be the most ruinously defective, and will be of opinion that the paragraph, containing these *invincible arguments*, is perhaps the weakest part of Smith's generally-judicious work. *Quandoque bonus dormitat Homerus.*

Though some of the authors, who are convinced that the India trade can be carried on to national advantage only by the agency of a privileged Company, have been at some pains to show the hardships and dangers, to which private traders must be exposed in India, as well as at home, merely from acting without concert, I shall not take up the reader's time by adducing any extracts from them, as it would be absurd to suppose that a great Company, acting upon the accumulated experience of above two centuries, and having regular agents stationed in all proper parts of the world, should not be more likely to obtain every necessary information, and to regulate their trade judiciously according to circumstances, than any private merchant, however great his commercial knowledge, and however extensive his correspondence may be.

To the *opinion* of Smith and his panegyrist may, however, be opposed the *experience* of gentlemen, who have resided long in India. M' Udney, a member of the Supreme Council of Bengal, in a letter to Marquis Wellesley, the Governor-general, 15th September 1800, says, 'The Company have, from the long establishment of their factories, from the skill of their servants trained up and employed at them, and the confidence which the manufacturers repose in them from the long habit of dealing with the Company, handed down to them from their forefathers, obtained so decided a superiority in the provision of the most valuable articles, piece goods and raw silk, that individual merchants cannot pretend by any practicable reduction of freight to cope with them.'

A friend of open trade, in a letter dated Bombay 30th March 1803, says, 'The price the Company pay (for pepper) is from 130 rupees to 140 per can-die, while individuals pay from 160 rupees to 170.' [*Asiatic Annual Register*. for 1803, p. 91 of *Miscellaneous*.]

A respectable gentleman, who lived thirty years in Bengal, and shipped goods on his own account to London, in answer to the questions put to him by the Committee of the House of Commons, says, 'The Company from their greater capital, and, generally speaking, the better intelligence and skill of their servants, are able to carry on the trade with India with more advantage to themselves and to the country than individuals. I presume always, that the illicit practices of individuals are out of the question, and that the trade is to be

‘ fairly carried on.’ . . . ‘ The Company’s goods have a character for excellence, which the goods of private persons do not attain. This gives the Company a considerable advantage in the European market. A foreign merchant can give his correspondent in London an order to purchase the Company’s goods with confidence that they will prove of the quality he desires *. With respect to the goods of individuals, he is at an uncertainty ; he must trust to the judgement and attention of his correspondent, and is liable to disappointment in the quality of the goods. The Company’s goods therefor sell at a higher price than the goods of private persons, even though such goods may be equal in quality to the Company’s. When engaged on my own account in correspondence to this country from Bengal, I conceived the difference to be equal to *fifteen per cent* on piece goods †, though my goods were provided by myself with great care and attention. The commission which falls upon the goods of private merchants at the different places of purchase, shipment, and sale, except where the owner himself may reside, in their transit from the place of produce in Bengal through Calcutta and London to the place of consumption abroad, by its repetition acts with a pressing weight upon the proceeds of the goods, and abates the profit, or eventually creates a loss. Some of the rates of commission were 10 per cent for procuring goods at the place of manufacture, $2\frac{1}{2}$ per cent for shipping, and $2\frac{1}{2}$ per cent on the gross sales in London ‡. [*Minutes of Evidence 18th, 20th May 1809*]

After the goods are imported from India they must be sold ; and it may be proper to take a view of the effects of ‘ the superior vigilance and attention of private adventurers,’ which, as Smith prophesies, will soon make the Company weary of the trade. The variety of the species, especially of the piece goods, is very great, and they must be sorted for sale in such proportions, in regard to quality and quantity, and also to preceding and ensuing sales, as are found from experience to be equal to the usual demand for each, and most conducive to the mutual advantage of buyer and seller. The periodical regularity

* I am credibly informed that upon the continent of Europe bales of goods bearing the Company’s mark frequently pass through the hands of many successive proprietors without examination, and are not opened till they come into the hands of the dealer, who retails them to the consumers.

† A member of the Committee asked the witness, whether the expense of the Company’s

factories, &c. ought not to be set against those commissions ; to which he answered in the affirmative. But those expenses will surely not amount to fifteen per cent.

‡ See an Account of the sales of Bengal piece goods belonging to the Company, and of those belonging to private traders, in the Appendix, N^o IX.

of the sales, the great quantity and variety of goods offered to the choice of the purchasers, the established confidence in the standard lengths and breadths, and in the uniform goodness of the fabrics, and the judicious assortment of them, attract foreign merchants to the Company's sales from most parts of Europe, who, while they are in London for the purpose of procuring India goods, take the opportunity of also purchasing large quantities of British merchandize. What would be the consequence if there were a great number of sales, with very defective assortments, not only in London, but also, as with equal reason there might be, in Bristol, Liverpool, Glasgow, Leith, Newcastle, Hull, &c.

If the British Legislature shall ever think of repeating the experiment of throwing the India trade open, they may oblige the importers to make their sales with periodical regularity: but that is all they can do in the affair. Nobody can suppose that it will ever be possible for unconnected merchants, either to import the proper quantities of each species of goods, or to concede so much of their individual claims as to agree in lotting and sorting them for sale. The foreign merchants finding the goods of inferior quality, and not assorted as they used to be, will give up attending the sales in London, and will carry their money to those of the continental Companies; for it must be remembered, that, if the British Legislature should abolish the Company's privilege, the other Powers of Europe are not obliged to follow their example, and that their Companies, who are at present eclipsed by the great superiority of ours, will rise into importance and opulence, partly by the decline of the British East-India trade, partly by the advancing prosperity of the manufacturers and traders of their own countries in consequence of some of the demand for British goods being transferred to those countries along with the demand for India goods, and partly by additional capital thrown into their stock by many of the British India traders, who will soon discover, as their predecessors in the later part of the seventeenth century, and beginning of the eighteenth, did, that the trade with India can only be conducted by a Company, acting harmoniously with united counsels for the good of the whole: for, whatever theoretical projectors may fancy, neither the trade with India, nor the consumption of Indian commodities in this country, or in all Europe, can be increased *ad infinitum*: and immoderate competition, as it formerly ruined the unconnected adventurers in this country and in France *, will also ruin all who shall engage in the trade in the same manner, and will finally

* While the French East-India trade was open, some of the merchants, who went into it, failed for very large sums: Darrifat, in partic-

ular, was bankrupt for eighteen millions of French money, or £750,000 sterling.

throw the British consumers of Indian goods upon the mercy of foreigners for the supply, and oblige them to pay such prices as they shall be pleased to impose, as was the case in the year 1597, when the new Dutch Company raised the price of pepper from 3/ to 8/.

Perhaps it will here be objected, that there are private merchants actually engaged in the India trade at this moment, who do not find their trade ruinous. But the objection is at least questionable in point of fact, as it is believed, that those merchants have already felt that they have overdone their trade in the importation of Indian goods*, and that their *small exports*, which have interfered with the investments of the commanders and officers of the Company's ships, have not been advantageous to themselves. But the objection will vanish entirely, when it is considered, that those merchants trade with the advantage of the Company's ships, or their own ships licenced by the Company, and that they enjoy the advantages, as already observed, of the Company's establishments and the Company's authority in the country, and also the further advantage of having their goods sold at the Company's sales; and moreover, that those merchants desire to confine all these advantages to themselves, as a second East-India Company, grafted upon the first, and by no means to see an unbounded liberty of trading to India, such as is recommended by Smith and some of his followers.

The merchants of this description constitute a new class of traders, who have lately attracted a good deal of the public attention by the great national importance which has been ascribed to their trade, though they had not been heard of when Smith wrote his Inquiry. At first their claims were founded upon the supposed greatness of the trade, which was carried on by foreigners upon British capital. They alleged that, when a servant of the Company wished to retire from India, he could find no other means of conveying his property to Europe

* Sometimes a redundant quantity of a particular kind of goods is imported in private trade, after a sufficient quantity of the same kind has been sold at the Company's sale. The agent in London urges a speedy sale, that the proceeds may help to meet the bills drawn upon him from India. The usual buyers are already supplied, and will not, or can not, purchase more: but they are very much chagrined, and seriously injured, if not ruined, by other buyers obtaining the same goods, perhaps at half price,

and consequently rendering their goods unsaleable, except at ruinous prices. In the year 1805 there were East-India drugs in the warehouses sufficient for the consumption of six years; and many of them perished. Perhaps even Smith would have acknowledged that the total loss of so much capital was rather a hardship, as the demand for drugs could scarcely be increased, if they were given for nothing to the consumers.

than by shipping it in the form of merchandize onboard a foreign vessel, and of course consigning it to a commercial house in the port to which the ship was bound; and that by this mode of transacting the business the freight and commission, which ought naturally to yield emoluments to British subjects, were unavoidably thrown into the hands of foreigners. As a remedy for this evil, they proposed, that the British subjects residing in India in a commercial character, whether in the Company's service or living under their protection as free merchants, should be authorized to conduct the business, and to ship goods for the transmission of the fortunes of individuals, onboard the Company's ships. Representations, calculated to set forth the great extent of the trade, of which British subjects were thus deprived, and the necessity of authorizing the proposed mode of conducting it, were made to Parliament, who, considering it as '*only a remittance trade, which would otherwise go to foreigners,*' were inclined to listen to the proposal.

It is evident that this kind of trade, whatever may have been alleged of the great advantages thrown into the hands of foreigners by it, could never have been very extensive, as the private fortunes, to be really remitted home for the purpose of retiring from India, could never return, and were limited in their amount to a sum by no means adequate to the production of such alarming consequences as were ascribed to them. Besides, most of the gentlemen, who had no other object in view than the conveyance of their property, once for all, to Great Britain, would prefer bills upon the Company, which, being carried in the form of letters, and exempted from the dangers of the seas and enemies, pay neither freight nor insurance, and being also exempted from the danger of loss by the sales of goods, afford the most eligible mode of remittance, as being in general the most profitable, and at all times the surest, and by which the remitter, moreover, knows to a farthing the amount of his property in London.

When the renewal of the Company's privilege, which took place in the year 1793, was in contemplation, the Parliament were desirous of furnishing to individuals residing in India a legal channel for the conveyance of their property, and also of promoting the interest of the manufacturers of Great Britain by an extended exportation of their fabrics to India. The Company concurred with the wish of the Parliament to promote the prosperity of the manufacturers and the accomodation of their servants in India; and they desired the parties, proposing to engage as agents in the trade, to specify the extent of freight they would think necessary for them.

In

In consequence of these preliminary arrangements a paragraph was inserted in the act for renewing the Company's privilege, by which they became bound to furnish 3,000 tuns of shipping annually for the use of the private trade to and from India, at a limited rate of freight.

The trade has gone on ever since : but the private merchants, who, with all their advantages, have not found their account in it, so much as they expected, were every year asking for additional privileges, and particularly that they might be allowed to employ ships of their own, entirely independent of any controul of the Company, or, in other words, desiring that the trade with India should be as free to the British merchants in India, and their correspondents or agents in London, but by no means to the Public in general, as the trade with the British colonies, and with foreign nations, is to British merchants in general.

It must not be forgotten, that, since Smith wrote, and more especially during the present long-protracted war, the antagonists of the Company have accused them of allowing the trade, by their mismanagement, to go into the hands of the Americans and other foreigners ; and they expatiate, with no small exultation, upon the superior advantages, which the American traders, each of them acting for himself, and unconnected with any Company, enjoy in point of dispatch and lightness of expense, and also in the great extent of their trade, which, taken altogether, we are told, ' actually exceeds that of Great Britain.' A reference to the Appendix, N^o X, will show that the assertion is exceedingly erroneous : and we ought to remember, that those American separate traders could never have such dispatch, or more probably could not trade at all, in the ports of India or in Canton, if they were debarred from the benefits of the Company's establishments ; so that they are in fact so far connected with the Company, that they owe to them the facilities they enjoy in their trade *. We must also remember, that their vessels, being very small, some only about a hundred tuns, may very soon be loaded ; that, being at peace with all the world, they sail at less expense, and pay less for insurance, than ships sailing under the flags of the belligerent Powers ; that their ships are not exposed to capture or shipwreck in consequence of their best hands being pressed from them ; that they

* No merchants are permitted by the Chinese Government to trade at Canton, except such as reside there under commissions from Sovereign Powers. [*Staunton's Embassy to China*, V. iii, p. 407] The unconnected Americans, whom

the Chinese call *New Englishmen*, must be under the wings of some of the resident agents ; and they naturally apply for assistance to those, with whom they can most readily carry on a conversation.

lose no time in waiting for convoy, or sailing in fleets, whereby the swiftest sailing vessel is obliged to wait for the slowest ; and that the present state of Europe gives their neutral flag admittance into every port of the continent, where they obtain much of the trade, which would come to London, if the obstructions, which the war has set up against the British trade, were removed. Moreover the war subjects the Company to great loss of ships by capture,—to great loss of time (which is loss of money) by the obligation of sailing in fleets, which is also the cause of more shipwrecks than would otherways happen,—to the hardship of having their best British seamen taken out of their ships in India by the commanders of his Majesty's ships, which renders their ships less defensible against the tempest or the enemy, as has lately been most fatally experienced in the loss of many valuable lives, ships, and cargoes *,—and to a prodigious expense of extra freight and demurrage, which is equal to the whole of the sum drawn by all the proprietors as the envied profits of their trade. But the war cannot last forever : and, when it shall have destroyed itself, the Company's ships will again sail with the security and the dispatch of peace, and at an expense much below what they have cost during the last nineteen years ; the unrestrained commercial intercourse with all parts of Europe will again be opened, and trade will in a great measure flow in its former channels. The Americans will then retain only such a share of the India trade, as their own capital, and their own consumption, both of which, undoubtedly, are rapidly increasing, together with some clandestine dealings with the Spanish colonists, can support.

The private merchants afterwards proposed nothing less than to bring the whole of the exportable merchandize of all India, which, they think, may be greatly increased in quantity, into the port of London, and to drive the Americans and all other foreigners out of the trade. Without entering into any debate upon the liberality or justice of allowing nobody to live but ourselves, we may venture to call in question the practicability of excluding all other nations from trading to India, even if Great Britain were willing to support such a pretension by a *perpetual war*. The projectors of this national monopoly, however, seem to apprehend no difficulty ; and they tell us how it may be very easily accomplished.—Only make foreigners pay very high duties and port charges, and allow us to

* If these ships had sailed singly, and independent of convoy, the storm could not have overtaken so many of them : and it is worthy of

notice that the greatest number of ships lost, are on their homeward passage, in consequence of their best hands being pressed.

carry on our own trade with our own India-built ships, at such times, and in such manner, as we may find most convenient.

There were till very lately two objections to the practicability of the scheme of driving foreigners out of the trade by taxation.—First, that, with respect to the Americans, it would have been contrary to the terms of a treaty between his Majesty and the United States, which was in force till the year 1807, and also a violation of the faith of Parliament, to impose heavier duties in our ports in India on goods imported and exported by them than were paid on such goods imported and exported in British vessels, or to levy heavier tunnage dues than were levied upon British vessels in the ports of the United States *. As for other friendly foreigners, they also have the faith of an act of Parliament for free admission into our ports, in which, it is true, there is not a word of duties or port charges, either high or low. But some of the maritime States of Europe have had ports of their own in India, which will most probably be restored to them at the end of the war, and to which goods will be carried for them †, if we shall think it advisable to prevent them from bringing their money, almost the only article that they or the Americans carry to India ‡, to our ports. Secondly, that the duty, to have any effect, must be so high as to operate almost as a prohibition,—or as a premium for smuggling, from which it is no easy matter for any Government to prohibit their own subjects; and it may be left to the proposers to devise any means to punish foreigners for evading enormous duties, except by resorting to the *Ratio ultima Regum*.

The main argument, advanced in favour of India-built ships, is, that they can sail at lower freights than the Company's regular ships, or even the extra ships employed by them. Granting that the freight for a tun § of goods carried in them should be lower than in any description of the Company's shipping, still

* See above p. 226.

† In the year 1803 the Danes desisted from purchasing piece goods at Madras, where they had previously bought and shipped them, and began to ship them in their own port of Tranquebar.

‡ We happen to have an account of the imports of the Americans and Portuguese into Bengal in the year 1799-1800, when they began to be very considerable, as stated by Mr. Udney, a member of the Supreme Council of Bengal, in a letter to Marquis Wellesley, dated Calcutta, 15th September 1800. Taken toge-

ther, they amounted to somewhat above £1,000,000 sterling, of which £944,834 consisted of bullion, and the chief part of the small remainder consisted of wine, cyder, and other liquors. For the amount of the American trade in the years 1802 to 1807, see the Appendix, N^o X and XI.

§ I am not properly informed whether the tunnage in those India-built ships, which came to London was rated at fifty cube feet, according to the measurement established in the Company's ships, or at forty, according to the custom of London.

the conveyance of valuable goods by them is more expensive, as the insurance on them is much higher *. But, that India shipping is cheaper than British, is a new discovery : for that it was found to be *more expensive than any other*, not very long ago, is evident from the following unquestionable documents.

By a minute of the Governor-general in Council, dated 12th August 1791, it is stated that the low price of rice in Bengal might render the exportation of it to other parts of India a very extensive and profitable business, ‘ were it not ‘ checked by the *heavy expense of Indian shipping*, and by the other necessary ‘ charges.’ [*Report from the Committee of Warehouses relative to the culture of sugar, dated 29th February 1792.*]

‘ Strong solicitations were made to the Court of Directors, when British ships ‘ were taken up, during the American war, to carry out naval and military stores, ‘ to suffer those ships to be *sold in India*. Under such permission the freight ‘ was very low, as the owners considered the *sale of the ship in India* as the cert- ‘ ain means of realizing a little fortune ; and these applications have been re- ‘ peated from time to time to the present day. Such a sale, however, would ‘ have been impossible, if teak ships could have sailed at as cheap a rate as the ‘ British. If these facts require further proof, it will be found in the proceed- ‘ ings of the Marine Committee at Bengal in 1793. They say, “ The Amer- ‘ icans actually build ships with a view to dispose of them here, and *get a large ‘ profit*, because they can afford to sell cheaper than we can build.” [*Third Report of the Special Committee, dated 25th March 1802.*]

The writer of an article of intelligence inserted in the Asiatic Annual Register for 1807 [*Chronicle, p. 43*] after observing that the price of rice in Canton is very fluctuating, adds, ‘ that ships in India are navigated much too dear for trans- ‘ porting grain to such a distant market, and therefor that the trade to China in ‘ India ships must be limited to more precious articles.’

Ships, which begin their voyage in India, must of necessity have Lascars for a considerable portion of their crews. That Lascars are not only less efficient, but also much more expensive, than British seamen, has already been observed, p. 235, and has also been demonstrated by Mr. Henchman, the ablest of the advocates for the private merchants, who states the difference for a ship of 500 tons at £67 8 0 a month, equal to about 2/9 monthly for every tun of the ship’s burthen. [*Observations on the Report of the Directors, Appendix, N° X.*]

* See the rates of insurance in the Appendix, N° VIII.

As it thus appears, that India shipping has been, and still is, more expensive than British shipping, it may be asked, What is the object which renders the employment of India-built shipping so desirable? To the ship-owners in India it is partly to find employment for their ships, and for those whom they wish to promote to be commanders and officers in them; but much more to avoid that controul upon their transactions, which law and reason have placed in the hands of the East-India Company. The India agents in London are influenced by the desire of promoting the interest of their correspondents, and by the *esprit du corps*; and they are also interested in putting large sums through their hands for the repairs, the stores, and the provisions, of the ships, which yield them profit in their commissions, and give them patronage in the choice of the tradesmen to be employed.

The advocates for the Indian shipping have endeavoured to make the British shipbuilders believe, that their interest will not be affected by the introduction of India-built ships into the port of London, because they will have the profit of repairing them. But it will not be easy to persuade the builders, that the profits of repairing can be equal to the profits of building *and* repairing: and it will probably be as difficult to persuade the British Legislature to sanction a system tending to discourage, perhaps to send out of the country, or at least to diminish the numbers of, a class of artificers, so indispensibly necessary to the commercial prosperity and the maritime power of the British empire.

Smith's second proposition, and arguments against it.

Doctor Smith, in support of his proposition, that the Company are bad Sovereigns, that their sovereignty makes them bad merchants, and that their servants are wasteful and oppressive, says,

‘ A Company of merchants are, it seems, incapable of considering themselves
 ‘ as Sovereigns, even after they have become such. Trade, or buying in order
 ‘ to sell again, they still consider as their principal business, and by a strange
 ‘ absurdity, regard the character of the Sovereign as but an appendix to that of
 ‘ the merchant.’ ‘ Their mercantile habits draw them in this manner,
 ‘ almost necessarily, though perhaps insensibly, to prefer upon all ordinary
 ‘ occasions the little and transitory profit of the monopolist to the great and
 ‘ permanent revenue of the Sovereign, and would gradually lead them to treat
 ‘ the countries subject to their government, nearly as the Dutch treat the
 ‘ Moluccas.’ [V. ii, p. 479.]

After

After describing the oppression and tyranny of the Dutch, by which, he says, the Moluccas have been almost depopulated, he adds, ‘ The English Company have not yet * had time to establish in Bengal so perfectly destructive a system. The plan of their government, however, has had exactly the same tendency. It has not been uncommon, *I am well assured*, for the chief, that is the first clerk of a factory, to order a peasant to plough up a rich field of poppies, and sow it with rice or some other grain. The pretence was, to prevent a scarcity of provisions; but the real reason, to give the chief an opportunity of selling at a better price a large quantity of opium, which he happened then to have upon hand. Upon other occasions the order has been reversed; and a rich field of rice or other grain has been ploughed up, in order to make room for a plantation of poppies, when the chief foresaw that extraordinary profit was likely to be made by opium †.’ [V. ii, p. 477]

‘ The

* That is, about the year 1775.

† Unless this chief could have destroyed the whole, or at least a very great part, of the poppies throughout the whole country, it could not be worth his while to be so wicked for the difference, which the destruction of one field, or a hundred fields, could make upon the value of his stock of opium. Was Doctor Smith really ‘ *well assured* ’ of the truth of this story, which certainly makes a most extraordinary figure in a serious work? Let us hear what is said of it by Colonel Capper, the judicious author of a valuable philosophical work entitled ‘ *Observations on the winds and monsoons.* ’

‘ After having mentioned the famine in Bengal, [in the year 1769] and ascribed it partly to the want of a judicious economy and appropriation of the water of the Ganges, in justice to the servants of the East-India Company, who governed Bengal at that time, and who have unjustly incurred much odium on that account, I must take upon me to say, that, after a very diligent enquiry made a few years afterwards on the spot, no European at that time derived the smallest pecuniary advantage from the monopoly of grain.

‘ I have even heard a gentleman named as

‘ having contributed towards the general distress by converting rice grounds into fields of opium, and from the sale of which he is said to have acquired immense riches; but it is well known that opium does not thrive in the same kind of ground in which rice is planted; the one requires a dry, and the other a wet, soil. Besides, if we admit that four or five hundred acres, or even as many thousand, were taken from the rice grounds of the provinces of Bengal, Bahar, and Orissa, for the purpose of planting opium, the defalcation of this small quantity of land from countries, more extensive than those of Great Britain, would not have been felt but as a drop of water in the sea. The misfortune originated in the folly or iniquity of the native farmers or grain merchants themselves.

‘ It should be known, that the scarcity happened in a season of uncommon drought, which followed one of unusual plenty. When the native farmers, or perhaps the merchants, during a plentiful year, had sold and exported as much grain as they could, they destroyed a prodigious quantity of the remainder, in order to keep up the price; and consequently, when the subsequent crop failed, an universal distress pervaded the whole country. It was

‘ by

‘ The administration is necessarily composed of a Council of merchants, a profession no doubt extremely respectable, but which in no country in the world carries along with it that sort of authority, which naturally overawes the people, and without force commands their willing obedience *. Such a Council can command obedience only by the military force, with which they are accompanied, and their government is therefore necessarily military and despotical. [p. 480]

The servants of the Company ‘ will employ the whole authority of government, and pervert the administration of justice, in order to harass and ruin those who interfere with them in any branch of commerce, which, by means of agents, either concealed, or at least not publicly avowed, they may chuse to carry on.’ . . . ‘ The monopoly of the Company can tend only to stunt the natural growth of that part of the surplus produce, which, in the case of a free trade, would be exported to Europe. That of the servants tends to stunt the natural growth of every part of the produce in which they chuse to deal, of what is destined for home consumption, as well as of what is destined for exportation, and consequently to degrade the cultivation of the whole country, and to *reduce the number of its inhabitants*. It tends to reduce the quantity of every sort of produce, even that of the necessaries of life, whenever the servants of the Company chuse to deal in them, to what those servants can both afford to buy, and expect to sell with such a profit as pleases them.’ [p. 482]

‘ The real interest of their masters, *if they were capable of understanding it*, is the same with that of the country, and it is from ignorance chiefly, and the *meanness of mercantile prejudice*, that they ever oppress it. But the real interest of the servants is by no means the same with that of the country, and the most perfect information would not necessarily put an end to their op-

‘ by these means that thousands of the wretched inhabitants of Bengal perished through hunger in the granary of India.

‘ But, for the credit of the East-India Company’s servants, and even for the honour of the nation itself, it is to be lamented that this matter was not at the time made the subject of public inquiry, and entirely cleared up to the satisfaction of the whole world.’

The evidence of the Colonel, who was acquainted with India, may be admitted as a sufficient antidote to Smith’s pretty story,

which some malicious wag has imposed upon him.

* One might here suppose that Doctor Smith had never heard of the illustrious mercantile family of the Medici, who, *without force*, and without the name of sovereignty, but merely by the influence founded upon the confidence of their fellow citizens in their wisdom and patriotism, conducted the public affairs of Florence during almost the whole of the fifteenth century.

‘ pressions.

‘pressions. The regulations accordingly, which have been sent out from Europe, though they have been frequently weak, have upon most occasions been well meaning. More intelligence, and perhaps less good meaning, has sometimes appeared in those established by the servants in India. It is a very singular government, in which every member of the administration wishes to get out of the country, and consequently to have done with the government, as soon as he can *, and to whose interest, the day after he has left it, and carried his whole fortune with him, it is perfectly indifferent though the whole country was swallowed up by an earthquake.’ [p. 483]

Doctor Smith winds up the charge against the Company and their servants in this part of his work with the following sentence of condemnation.

‘Such exclusive Companies, therefore, are nuisances in every respect ; always more or less inconvenient to the countries in which they are established, and destructive to those which have the misfortune to fall under their government.’ [p. 485]

Returning to his accusations of the Company and their servants, he says, the people are taxed in the *high price* of the Company’s goods ‘for the most worth- less of all purposes.’ . . . ‘It is merely to enable the Company to support the negligence, profusion, and malversation of their own servants.’ [V. iii, p. 144]

‘No two characters seem more inconsistent than those of trader and Sovereign. If the trading spirit of the English East India Company renders them very bad Sovereigns, the spirit of sovereignty seems to have rendered them equally bad traders. While they were traders only, they managed their trade successfully, and were able to pay from their profits a moderate dividend to the proprietors of their stock. Since they became Sovereigns, with a revenue, which, it is said, was originally more than three millions sterling, they have been obliged to beg the ordinary † assistance of Government in order to avoid immediate bankruptcy.’ [p. 245]

* The governments of the East Indies have been less fluctuating than almost any other. Few, if any, of the West-India Governors have continued so long in their governments as Mr Hastings did. Mr Duncan, the late Governor of Bombay, was near forty years in the service, without ever coming home. Sir George Barlow, the present Governor of Madras, has been thirty-two years in the

service. Many gentlemen have been much longer ; and it rarely happens that any of the Company’s servants return home, till they have been twenty or twenty-five years in the service.

† Has not this word ‘ordinary’ dropt in by accident? It does not appear to have any meaning.

The reader has seen that the acquisition of the territorial revenue in the year 1765 was the consequence of a chain of events, neither planned nor expected by the Company : and notwithstanding Smith's dismal description of the arbitrary and oppressive conduct of their servants, and his doctrine of the incompatibility of the noble science of government with ' the meanness of ' mercantile prejudice,' we know from more certain authority, that the mild government of the Company's settlements, ever since they began to have any, has induced the natives of the adjacent parts of the country to flock to them, for the sake of enjoying the benefits of regular government and protection.

To the censures of a man, who evidently had not the knowledge of India, which by reading and diligent inquiry he might, even when he wrote, have obtained, it may be proper to oppose the observations of men who have given accounts of the government of the Company's settlements from their own local and personal knowledge.

Let us first attend to the testimony of Colonel Dow, an author by no means partial to the Company's Indian administration, who wrote before the present beneficent system of government was matured. He says, ' The slavery and ' oppression, which the Indians suffer from their native Princes, makes the ' justice and regularity of a British government appear to them in the most ' favourable light. The great men of the country have no more idea of ' patriotism than the meanest slaves ; and the people can have no attachment ' to chiefs whom they regard as tyrants. Soldiers of fortune are so numerous ' in India, that they comprehend one fourth of the inhabitants of that extensive ' country. They are never paid one third of the stipulated sum by the Princes ' of Hindostan, which renders them mutinous and discontented ; but they would ' most certainly prove themselves obedient, faithful, and brave, in the service ' of a Power who should pay them regularly.' [*History of Hindostan*, V. ii, p. 95, published in 1768]

Major Rennell says, that in Bengal, ' Previous to the establishment of our ' influence, invasions were frequent, particularly by the Mahrattas : and one ' province or other was ever in rebellion, owing to the want of energy in the ' ruling power, an ill-paid and mutinous army, or an excess of delegated ' power. Those who know what miseries are brought upon a country by ' being the seat of war, will know how to appreciate the value of such a ' blessing as that of having the horrors of war removed to a distance from our ' habitations.' [*Memoir of a Map of Hindoostan*, p. cv.]

M^r Myers,

M^r Myers, late accountant-general in Bengal, in a letter addressed to M^r Dundas *, the President of the Board of Controul, observes, that, ‘ The increase of the population of those countries by births is very rapid ; and while few persons emigrate from the provinces, which have been any length of time under our authority, great numbers of people, who were born in other countries, are constantly resorting to those provinces, with a view of seeking some means of livelihood and a more secure asylum.’

The following is the account of the state of the Company’s territories, given by Marquis Wellesley, late Governor-general of India, contained in a minute in Council at Calcutta, dated 18th August 1800. ‘ The British possessions in India now constitute one of the most extensive and populous empires in the world. The immediate administration of the government of the various provinces and nations, composing this empire, is principally confided to the European civil servants of the East-India Company. Those provinces, namely Bengal, Bahar, Orissa, and Benares, the Company’s Jaghire in the Carnatic, the Northern Circars, the Baramhal, and other districts ceded by the peace of Seringapatam in 1792, which are under the more immediate and direct administration of the civil servants of the Company, are acknowledged to form the most flourishing and opulent part of India, in which property, life, civil order, and religious liberty, are most secure, and the people enjoy a larger portion of the benefits of good government than in any other country in this quarter of the globe.’

To these respectable testimonies of local knowlege and personal experience †, against which no one will be disposed to balance Smith’s random opinions and unfounded declamations about depopulation and oppression, may be added the opinion of Lord Melville, who studied Indian affairs with rather more application, and with better means of acquiring full knowlege of them, than Doctor Smith. In a letter addressed to the Chairman of the Company, dated 2^d April 1800, he says, ‘ That the ostensible form of government, with all its consequent extent and detail of patronage, must remain as it now is, I am persuaded will never be called in question by any, but those who may be disposed to sacrifice the freedom and security of our constitution to their own personal aggrandizement, and ill-directed ambition.’ ‘ The same principles, which prove the necessity of the present form and mode of Indian

* Afterwards created Viscount Melville.

but it is presumed that these may be sufficient to every intelligent and candid reader.

† It would only cost the trouble of transcribing to add many more such testimonies :

‘ government, evince the necessity of the monopoly of trade. The government
 ‘ and trade are interwoven together ; and we have only to recur to a very recent
 ‘ experience to learn the immense advantages, which have flowed from that
 ‘ connexion of government and trade. By the commercial capital of the Com-
 ‘ pany at home, acting in connexion with the public revenues under their ad-
 ‘ ministration abroad, they have mutually aided and administered to the wants
 ‘ of each other ; and the result has been the fortunate atchievement of
 ‘ those brilliant events, upon the success of which depended the existence of
 ‘ the government, the territorial wealth, and the trade, of India.’

This well-matured opinion is rather at variance with Smith’s notions respect-
 ing the inconsistency of government and commerce, and his conclusion that the
 spirit of sovereignty has rendered the Company bad traders, as their trading
 spirit has rendered them bad Sovereigns. This has not been lost sight of by
 Smith’s followers, who taking it for incontrovertible, as they generally take all
 his propositions and assertions, have asserted that ‘ the interest of England, as a
 ‘ producing country, has never entered into the views of the Company at
 ‘ any time, *far less since they became territorial Sovereigns.*’ From these words
 the reader, who is not at the trouble of obtaining information of the facts, is to
 understand that the Company have been at all times neglectful of exporting the
 productions of British industry, and that since their acquisition of the territorial
 revenue they have become still more neglectful than they were before.

But opinions, however respectable, and all unfounded assertions, must give
 way to unquestionable facts. The following statement of the Company’s ex-
 ports during fifty years before they became powerful in India, and also during
 fifty years after that æra, show how much they have extended their exports of
 merchandize, and diminished those of bullion, in the later period, and thereby
 promoted ‘ the interest of England as a producing country,’ to the great benefit
 of the manufacturers, miners, and all other industrious classes of the people.

The amount of exports in

	fifty years, 1710-1759.	fifty years, 1760-1809.
Merchandize .	£9,248,296	£48,659,458
Bullion . . .	26,829,207	14,656,587

Thus we find, that the exportation of merchandize, which, we are told, has
 fallen off in the second of these periods, has increased to more than five times
 the amount of it in the first period. It may also be observed, for the comfort
 of those who think the exportation of the pretious metals a great evil, that,
 whereas, in the first fifty years the amount of the merchandize is little more
 than

than one third of the bullion, in the second fifty the bullion is much less than one third of the merchandize.

In ten of these years, 1799-1808, notwithstanding the obstructions of war, the merchandize amounted to £19,931,801, and the bullion to 6,030,035, whence it appears that the increase of exportation has been progressive.

Of the merchandize exported in these ten years, the woolen goods amounted to £11,299,420, being on an average yearly 1,129,942, more than half, in value of the whole merchandize exported by the Company being the production of the most favoured manufacture of England*.

If the respectable testimonies, which have been adduced, be not sufficient to repell the general charges of extravagance, oppression, depopulation, and incompetency, brought against the Company's servants by Doctor Smith, his own evidence may be brought in addition to them; for after having abused them through several pages, he seems inclined to part with them in friendship. He says, 'I mean not, however, by any thing which I have here said, to throw any odious imputation upon the general character of the servants of the East India Company, and much less upon that of any particular persons. It is the system of government, the situation in which they are placed, that I mean to censure; not the character of those who have acted in it. They acted as their situation naturally directed; and they, who have clamoured the loudest against them, would probably not have acted better themselves. In war and negociation the Councils of Madras and Calcutta have upon several occasions conducted themselves with a resolution and decisive wisdom, which would have done honour to the Senate of Rome in the best days of that republic. The members of those Councils, however, had been bred to professions very different from war and politics. But their situation alone, without education, experience, or even example, seems to have formed in them all at once the great qualities which it required, and to have inspired them both with abilities and virtues, which they themselves could not well know that they possessed.'

[V. ii, p. 484]

Doctor Smith tells us that the Company 'have been obliged to beg the ordinary assistance of Government in order to avoid immediate bankruptcy.' But he says nothing of their lending much greater sums to Government than they ever borrowed; and he knew nothing of their advancing very great sums

* The reader will soon see a specimen of the woolen manufactures exported in the private trade.

for Government service, at the request of the Ministry. It is true that they have borrowed money, when necessary, as any small Company, or any individual merchant in good circumstances and credit, may easily do ; and they have repaid it. But they never received, nor ever asked, any gratuitous donations from the public purse, such as some of the regulated Companies have regularly received.

The Company have been accused by Smith's followers of discouraging the productive powers of their territories in India. Indigo, it is acknowledged has been brought to great perfection ; but the success of it, we are told, ' may ' fairly be ascribed to its being left to private adventure.' The production of sugar, cotton, raw silk, and sunn hemp, has been discouraged, though those articles might be imported from India to a great amount.

The reader has already seen (p. 200) what the Company have done for promoting the cultivation of indigo. It may not, however, be improper here to ask, whether any private trader, or any small society of private traders, could, or would, have submitted to such a privation of the use of a very capital sum, in order to establish a trade, which should eventually be beneficial to their country in a distant day, perhaps when they should not be alive to reap any benefit from it ? Such sacrifices can only be made by a corporate body possessing a degree of immortality.

About the year 1789 the quantity of sugar produced in the British West-India islands was found to be much inferior to the demand for home consumption and for exportation, the trade with every part of Europe being then free to British merchants ; and the Public were distressed by the rise of the price. The distress was soon after aggravated by a deficiency of the sugar crop in the British islands, and a total failure of importation from the important French island of Saint Domingo, occasioned by the insurrection of the Negro slaves. The Company's territories in Bengal are capable of supplying sugar for the consumption of all Europe, if a regard for the interest of the West-India planters did not render a very great extension of the East-India sugar trade improper, and if the duty upon it were not so high as to render the importation of it a losing business, except when the price happens to be very high in this country. In April 1789 the Company sent orders to Bengal for shipping a quantity of sugar, which, arriving at the time when the price, owing to the circumstances just mentioned, was enormously high, was sold with some profit. The Company, thinking that Bengal ought to be considered as a British territory, and seeing that the British West-India sugar could not stand in need of a protecting duty, when the quantity of it was so very
inadequate

inadequate to the demand for home consumption and exportation to the Continent, applied to the Lords of the Treasury for a reduction of the duty, but without success. If the duty upon East-India and West-India sugar were equalized, the difference of the freight upon so heavy an article would still operate as a protection to the later, and effectually prevent any larger importation of the former than what may be brought as ballast along with finer and lighter goods. From what is now stated, it is evident, that a very large importation of East-India sugars would be ruinous to the West-India planters, whose property is too large and important to be sacrificed, and also to the importers. With regard to the balance of trade, for which many of our political economists are so anxious, it is proper to remember that the whole first cost of East-India sugars must be paid in bullion, whereas West-India sugars are mostly paid for with British merchandize, and a great part of the balance, paid to the proprietors of sugar estates, is spent by them in this country.

Cotton is another article raised both in the East and the West Indies, as also in Brazil, and it may be cultivated in every warm country. It is the raw material of the great staple manufacture of India, and therefor a quantity, sufficient for the supply of the manufacturers, must of necessity remain in the country. It also makes a good remittance to China, except when the rage for adventure overstocks the market; and the sale of it in that country diminishes the quantity of silver payable to the Chinese. The consumption of cotton in the British manufacture of the vast variety of articles made of that material is so great, that, though much more has been planted in the West Indies, since the great extension of the cotton manufacture by the use of Arkwright's machinery, than ever was planted before, though the cultivation of it, has lately been introduced with remarkable success in the southern territories of the United States of America, and great quantities are brought from Brazil and the Levant, still there is also a great demand for cotton from India; and the supply of the raw material for so important a branch of the national manufacture is consequently a very popular object; and it has not been lost sight of by the opponents of the Company, who have represented them as discouraging the growth of it in their own territories, to the great injury of the natives and of the British manufacturers. They tell us that it may be bought in India for three halfpence a pound *, whereas West-

* This was cotton, which some of the merchants, not acquainted with the nature of the article, had purchased, in the ardour of speculation, with the seeds in it, whereby they subjected themselves to pay freight for seeds which were to be thrown away, and also to pay the

wages of London workmanship for picking out the seeds, by which operation the cotton was reduced to one quarter of the weight shipped, and consequently cost more money than it could be sold for.

India cotton costs a shilling in the place of its growth ; but that, notwithstanding so prodigious a difference of cost, the higher charge for freight by the Company's ships renders the importation of it unprofitable *. The truth is, that the cultivation of cotton in India never stood in need of *encouragement*. But the Company, observing that the bad success of many of the speculations in cotton has lately rendered the supply of it very irregular, and frequently defective, and desirous of securing a constant and steady supply of that important article, have determined to make it a regular branch of their own commerce ; for which purpose they have established a permanent factory in the upper part of India, and another on the west coast, in the country lately ceded by the Peishwa ; and from both of them considerable quantities of good and clean cotton have already been imported.

Raw silk, we are told, has been neglected by the Company. The Bengal silk has for some years been growing worse, except what has been imported in private trade, which has been improving. In short, by the Company's mismanagement the British silk manufacturer is obliged to depend for a supply of the material 'on our enemies, to whom we pay more than two millions annually ' for silk alone.'

The Company's fostering care of the cultivation of silk in Bengal, and the great expense bestowed by them for the purpose of preventing the British manufacturer from depending upon foreigners, whether friends or enemies, any further than the assortment of different qualities may require, has been already related (p. 223) : and it is therefor needless to do more here, than just barely to observe that the *assertion*, that the private traders can procure better goods of any description whatever than can be obtained by the Company, is rather in contradiction to the *experience* of gentlemen, who have been long acquainted with the

* The excess of import (for even cotton may be imported to excess) has sometimes reduced the price much below what may be reckoned the fair value. In general, if it is well cleaned, and of pretty good quality, it will bear the freight, as appears by the following comparison.

The freight from India is charged by the tun of 50 cube feet, which may contain 1600 pounds of cotton, and, at £22 15 0 per tun, the freight in the Company's extra ships, and also in the ships of the private merchants, is for one pound about 3½d.

The freight from Surinam, Demararay, and Berbice 3
Grenada 2½
Saint Lucia and Nevis 2½

Considering the distance, the freight from the East Indies is by far the cheapest, though represented as ruinous to the importation: and it is evident that East-India cotton, well cleaned, if bought twopence lower than West-India cotton of equal quality, may meet it in the London market with superior advantage.

trade

trade of India, and whose local knowlege is more to be depended upon than the information obtained by the author of the ‘ Considerations upon the trade with ‘ India,’ who moreover, pays our enemies rather too generously for their silk, which, according to the amount stated by him, costs above four guineas for every pound.

Sunn hemp, though it has been imported by the Company for fourteen years bypast, is still very little known in Great Britain : and therefor the anonymous writer of the ‘ Considerations upon the trade with India,’ who has abused the Company for neglecting, or opposing, the introduction of it in this country, might have been almost excused for being misled in his statement, if he had not asserted that *he is well assured*, and indeed *partly knows the fact*, that the Company have opposed the cultivation of it and the introduction of it in this country. The reader has already seen (*p.* 241) what efforts, and what sacrifices, the Company have made, in order to promote that great national object.

Those above-mentioned are the chief articles of the agricultural produce of India, which are imported into this country. But there are many others, which amply repay the industry of the cultivators and manufacturers, and supply the materials of a very extensive trade with all the coasts and islands of Asia, as far west as the Red Sea, and as far east as China and Manila, whereby the natives are comfortably supported, and even enriched. This trade, usually called the country trade, is in a great measure carried on by the capital and enterprise of the civil servants of the Company, and the free merchants living under their protection ; and it is chiefly by this trade, which is entirely resigned to them by the Company, that their fortunes are acquired, and not by plundering and oppressing the natives, as the revilers of our countrymen residing in India would have us believe. There are also many merchants of Arabia, Persia, Armenia, and the Oriental islands employed in this trade ; and some of them do business to a great amount. The cargoes in the country trade consist of all the articles of produce and manufacture, which are brought from India to Europe, and also opium and rice to a great extent, and a small assortment of British manufactures. The manufactures of India have in all ages formed a most important part of the cargoes shipped for every country in the East. Indigo is bought largely by the Arabian merchants. Pepper and cotton are shipped for China to a very large amount.

Such are the resources of the people living under the Company’s government, the plan of which Smith has thought proper to represent as similar to the system of oppression and tyranny, by which the Dutch have almost depopulated the
Molucco

Molucco islands, and extirpated the most valuable productions of their soil. Such are the most important of the innumerable lucrative articles, produced in a country, the productive powers of which the followers of Smith accuse the Company of discouraging. But the real truth is, that the produce and manufactures, and the exports, have been augmented, very much beyond what they ever were before, in all the countries where the natives enjoy the protection and tranquillity of the Company's government, with the secure possession of their landed property, the quit-rents of which are collected without the necessity of military compulsion, a mode of collection quite usual in the territories of the Mohamedan Princes.

Smith's third proposition, and arguments against it.

Doctor Smith, having proved, to his own satisfaction, that, when a nation is ripe for the East-India trade, it will be carried on to much greater advantage by unconnected individuals residing in India than by a great Company, proceeds to dispose of the Company's territorial acquisitions in the following manner.

'The settlements, which different European nations have obtained in the East Indies, if they were taken from the exclusive Companies, to which they at present belong, and put under the immediate protection of the Sovereign, would render this residence both safe and easy, at least to the merchants of the particular nations, to whom those settlements belong.' [V. ii, p. 472] . . . Upon the expiration of the Company's charter, 'the monopoly ought certainly to determine; the forts and garrisons, if it was found necessary to establish any, to be taken into the hands of Government, their value to be paid to the Company, and the trade to be laid open to all the subjects of the State.' [V. iii, p. 144]

In his chapter upon the debts of the Public, after proposing that they should be alleviated by contributions from Ireland and the American colonies, by which, and a faithful application of the revenue to the discharge of them, the greatest part of the taxes might be abolished, he adds that 'The territorial acquisitions of the East India Company, the undoubted right of the Crown, that is, of the State and People of Great Britain, might be rendered another source of revenue, more abundant, perhaps, than all those already mentioned.' [V. iii, p. 462]

It is not denied, that the Company, upon the faith of the charters, for which they have paid very large sums to the Public, have acquired their forts, factories, and other establishments, by the expenditure of vast sums of their own money, without receiving any pecuniary assistance from the State, such as other Companies

Companies have had ; and it is generally admitted that no trade can be carried on in India without the security of fortified stations. The Company have also been at great charges in defending their settlements and their property against the attacks of the Mohamedan Princes of India * and their French allies, who were defeated by the superior skill and bravery of their own officers and soldiers, whereupon they obtained a grant of the revenue of the territories conquered by their own forces, and at their own expense and risk, not from the King and Parliament of Great Britain, who did not possess any kind of right or property in the sovereignty of those countries, but from the Great Mogul, who, however deprived of real substantial power, is the acknowledged Sovereign of the empire, of which the territories acquired by the Company form a part.

That the territory, acquired in India by the Company, was their undoubted property, was universally acknowledged in India and in Europe. That no idea of making any claim upon it had been entertained by his Majesty or his Ministers, when the negotiations for peace with France were going forward in the end of the year 1762, is evident ; for then the French Minister, upon proposing that some settlements, taken from the French East-India Company during the war, should be restored, received the following answer from the British Ministry.

‘ Respecting those territorial acquisitions the English East-India Company have made in Asia, every dispute relative thereto must be settled by that Company, *the Crown of England having no right to interfere in what is allowed to be the legal and exclusive property of a body corporate, belonging to the English nation* †.’

Perhaps it may be alleged that the Ministry did not think the territory, then possessed by the Company, sufficiently important to be claimed for the Crown ; but that, after the Company acquired the revenues of extensive provinces, it has been discovered, upon better consideration, that all territorial acquisitions, made by subjects, though at their own expense and risk, must belong to the Crown. —In answer, it is argued, that the powers of making war and peace, and entering into treaties with foreign Princes, conferred upon the Company by their charter, and confirmed by Parliament, certainly convey to them as great a por-

* It is well known that those Princes were all usurpers upon the authority of their acknowledged Sovereign, the Great Mogul.

† The reader will excuse the repetition of

this important acknowledgement of the Company’s right, already inserted in a note in p. 192, as it could not, with any regard to propriety, be omitted either there or here.

tion of sovereign power as may entitle them to hold a delegated authority from the Sovereign of a foreign country. But, if the opinion of the Statesmen, who gave the above answer in the year 1762, shall be alleged to be now antiquated, let us listen to the declaration made by a great Statesman, lately deceased, who particularly attended to the affairs of India, many years after Smith's recommendation of seizing the territorial revenue for the Crown had been published to the world. Upon the question being started in Parliament, 'To whom, in case of the Company's privilege being terminated, should the most important seats of trade in India belong?' he answered, 'To the Company undoubtedly. By their original and perpetual charters they have legally purchased various possessions in India, which cannot be taken from them.' [*Mr Dundas's Speech in Parliament, 23d April 1793*]

Without saying any thing of the propriety or impropriety of the Sovereign of Great Britain acknowledging the Great Mogul for his feudal Over-lord, as the East-India Company have done, let us consider, what is to be done with the Company's forts and territories, when taken from them and vested in the Crown. Will not the support of them be a dead weight upon the industry of this country, as some others of our foreign possessions have been? The support of governments, and armies, and ships of war, in the hands of the Crown, every thinking person will allow, must be much more expensive than they are in the hands of the Company, who are surely as frugal in the expenditure of their own money as is consistent with prudence and liberality. The Crown must endeavour to be reimbursed by imposts upon the trade; and these, being necessarily much heavier than what were levied under the direction of the Company, will ruin the trade entirely, and transfer it to the foreign Companies, who, it must be remembered, will prosper upon the decline of the British trade; and when the imposts shall be thereby reduced to little or nothing*, what is to support the expense? Smith tells us, the territorial revenue, which is not only to support all the charges of the government, with all its dependencies in India, but also to produce an abundant fund for the reduction of the national debt of Great Britain. But it may at least be doubted, whether the expenses of a Royal government in India, swelled by the creation of a multitude of new offices, with the charges of a sufficient army, and a considerable portion of the navy, with all the endless

* Upon the suspension of the French East-India Company in the year 1769, the French settlements in India came to be supported by the King, whose annual expense upon them

amounted to more than two millions of livres, in return for which they produced just the tenth part of that sum. [*Raynal, Hist. phil. et polit. V. ii, p. 338*]

train of subordinate expenses, will not be more than sufficient to prevent any balance of revenue from being remitted to the Treasury; and whether it is not much more probable that the Governors of the settlements in India, like the Governors of other foreign settlements, will not need to draw bills upon the Treasury. How many of the European Governments have accumulated treasure by making their expenditure less than their revenue? How many of them are there, who are not in debt by letting their expenditure exceed their revenue?

The Governors, appointed by a commercial Company, to the superintendence of settlements formed and supported by commerce, must know that it is their duty to give every proper assistance to commerce. The Governors, appointed by Royal authority, being generally military gentlemen, whose education and habits are frequently rather anticommercial, cannot be expected to pay the same attention to the interests of commerce, which must therefor suffer, not from their ill intentions, but from their habits of considering commerce as an object of too little importance to merit their attention or support. It may be alleged that in case of any gross act of oppression, justice may be obtained by the laws of Great Britain against any delinquent, however high his rank, or great his power, may be. That is very true: but a much shorter time than is necessary for all the tedious and complex operations of such a process, is sufficient to involve a merchant, and those who are deeply connected with him, in irretrievable ruin.

In France, where the East-India Company were supported by the public money in the infancy of their trade, and had many other assistances and indulgences, besides their exclusive privilege, the Government might fairly claim a share of the acquisitions made by the help of the public money. In England the Company risked no property but their own. The Public did not advance a shilling, either to set their trade a-going, to encourage it by bounties, or to compensate any of the heavy losses they sustained. On the contrary, the Company, notwithstanding the losses and extraordinary expenses occasioned by war, amounting to many millions, have poured large sums into the public Treasury; certainly much larger than ever the Treasury can draw from their territories, if in the possession of the Crown. Indeed, no good reason can be alleged, why the heirs, and other representatives, of the original partners of the Company should be deprived of the property of every kind whatever, acquired by the exertions and capital, and at the risk, of their predecessors, any more than that many honourable and noble families, now flourishing in this country,

should be deprived of the estates acquired by the successful industry of their commercial ancestors, who lived in the last, or preceding, century.

There are other opponents of the Company, more moderate, or *more knowing*, than Smith and the advocates for his financial policy, who are willing to allow them to retain the burthen of supporting the forts and factories, and only desire to have the accommodation of them for the protection and convenience of their own trade.

The most enlightened politicians, and those, who from their knowledge of Indian affairs are best qualified to judge of such a matter, are of opinion, that the territories in India cannot be managed and governed so much for the advantage of the British empire in general by any other system of government as that of the East-India Company: and they do not scruple to express their apprehension, that the Indian dominions, if vested in the Crown, and along with them the India trade, which has so largely contributed to place Great Britain in her present pre-eminent rank in the scale of Nations, would at no very distant time be totally lost; and that, while they remained connected with this kingdom under the direction of his Majesty's Ministers, the additional patronage, thereby thrown into their hands, would enable them, if they should be so inclined, to overthrow our happy constitution; whereas that patronage, while in the hands of a numerous body of gentlemen, most of whom have little or no connection with the political parties of the State, cannot be productive of any political danger whatever*.

The probable consequences of the East-India trade being thrown open.

Let us now suppose that the East-India trade is thrown open, either to the utmost extent claimed by the advocates for the unbounded freedom of trade, or only to the merchants and agents already connected with India; though there seems to be no good reason, if the Company's privilege is to be invaded, why any one should be debarred from a share of the spoil, who thinks

* Governor Johnstone, in his treatise, entitled *Thoughts on our Acquisitions in the East-Indies*, says, he is persuaded that, if the territories of the East-India Company were put into the immediate possession of the Crown, 'we might expect the same effects that followed the annexation of the rich orders of

' Saint Iago, Calatrava, and Alcantara, to the Crown of Spain; which, a celebrated Spanish historian says, contributed more towards enslaving that country than all the other insidious arts and expedients of Ferdinand and Isabella.'

he can make it beneficial to himself ; and let us endeavour to estimate the consequences to

The East-India Company, as merchants ;

The people wholly or partly dependent upon the Company ;

The new East-India merchants ;

and

The national revenue, and the Nation at large.

That *the East-India Company* have a right to remain a corporate body, and to carry on trade with their joint stock, being acknowledged by all parties, there are, besides Smith's prediction of their incapacity (See above, p. 370), two opinions respecting the propriety or the probability of their continuing to trade in competition with an unlimited number of private adventurers.

Notwithstanding the heavy charges of waste and mismanagement brought against the Company and their servants by Smith and his followers, and their assertion that ' the superior vigilance and attention of private adventures would, ' in all probability, soon make them weary of the trade,' we have already seen (p. 371) that the Company purchase their goods on better terms, and also conduct their business more economically, than the private traders, with all their vigilance and attention, can do.

A gentleman, already quoted, who has had the experience of thirty years' residence in India, and has been engaged in trading on his own account, has said that, after reflecting upon the subject for twenty years, he believes the Company would have nothing to fear, in a point of view merely commercial, from the trade being thrown open to the competition of private merchants in India and in this country ; and that the Company would certainly carry on their trade to greater advantage than private merchants, the expenses of their trade being lighter in proportion, and the goods purchased for them being of better quality, so as to sell in general about *fifteen per cent higher* than similar goods imported by the private merchants. ' But, in such a case, it ' could not be expected that they should export articles of national manufacture ' to a loss, as they now do, or import from India articles for the benefit of ' Government on the terms they often now import them. At present they ' bring sunn hemp for the service of Government, without any profit whatever, ' as they lose by the necessary dead weight to be shipped along with it. Some ' years ago, on a rupture with Russia, they brought it on their own account, ' at the wishes, or at the instance, of his Majesty's Ministers, for the purpose ' of answering the national exigence ; and they lost greatly by it, the quantity ' being

‘ being considerable *.’ [*Evidence before the Committee of the House of Commons, 18th, 20th May 1809*]

Others are of opinion that, if the trade were to be thrown open, the Company ought to abandon it, at least for some years, to the scramble of the new adventurers, and let their ships return empty, rather than bring goods which must assuredly be sold at a great loss, or be unsaleable at any price. At any rate, if they should resume the trade after some intermission, it would not be incumbent upon them to continue their exports of British manufactures, or their imports of raw materials for manufactures, without any profit, or at a loss, as they have hitherto done, upon the patriotic principle of sacrificing their own emolument to the public advantage, as a grateful return for the privilege with which they have been favoured. Such was the opinion of the Committee of Directors in September 1791, as expressed in their Report upon the export trade.

Whichever of these opinions might come to be acted upon, there can be no doubt, that a very great number of the proprietors of India stock would take fright immediately upon the abolition of their privilege, and, in the dread that their property must immediately be destroyed along with it, would eagerly run to sell out their stock at any price, and the price would be very much depressed by the competition of sellers, whereby they and their families would be reduced in their means of living, if not completely ruined.

The people wholly or partly dependent upon the Company may be divided into three classes,

Those who are, or have been, in the numerous branches of their service ;

Those who are benefited by providing the shipping required for their trade, and in supplying the merchandize of every kind, which they export ;

and

The purchasers at the Company’s sales, who are benefited by working them up in their manufactures, by selling them to the consumers at home, or by exporting them to foreign countries.

* This gentleman affirms that the Company’s profits are greater than he could make, with all his advantages of local knowledge and personal attention. Nevertheless, one set of the opponents of the Company accuse them of persisting in carrying on a losing trade with India, while another set, probably following Smith, cry out against their enormous profits.—Against the former may be set the testimony of this gentle-

man, founded upon the experience of thirty years.—In answer to the later, it is sufficient to observe that an annual income of £105 (or at present only £94 10 0) which may be diminished by losses in war, but, by the present law, cannot be increased, is no very exorbitant profit upon a capital of from 1800 to 2000 pounds.

The

The people in the immediate service of the Company in India and at home, and those employed in preparing goods for their imports, amounting with their families to many millions *, are all decently supported, according to their rank and services, while in employment : and when accident, or sickness, or old age, render their immediate servants, civil, military, or naval, incapable of further service, they are never left destitute, but are all provided with a comfortable support during the remainder of life ; and the Company's bounty is also extended to their widows and children.

The Company's military officers, who have all been bred up in their army from early youth, after being a certain number of years in the service, are permitted to retire, not upon half pay, like the reduced officers of the King's army, but to the enjoyment of comfort and repose, with their full pay, which is assured to them as long as they live.

The Company's naval officers have also been regularly bred up in their service, and are not inferior in every branch of nautical knowledge and the sciences connected with their profession to any body of navigators in the world ; and in maritime warfare they have often gallantly supported the honour of the British flag. They have hitherto been considered as having a right, unless forfeited by misconduct, to look up to the Company for constant employment, with the reasonable prospect of making a competent fortune before old age renders repose desirable and necessary, and with an assurance, in case of failure, of being protected and supported by the Company in a stile not unsuitable to their rank in life.—Must such valuable men, when bending under the weight of years, if their endeavours to obtain independent competence have been unsuccessful, be turned adrift to starve, or to seek such employment as their diminished powers of exertion may be capable of, in situations inferior in emolument and respectability to those they have held in the Company's service ?— Or must the Company support them when unemployed, and when there is no longer a possibility of finding employment for them ? Or *can* they support them, when their own funds, which have hitherto so liberally provided ease and competence for their superannuated servants of every description, who have been in need of assistance, shall be torn from them ? — Will unconnected private merchants make them any compensation in lieu of the respectable establishment, which they propose to abolish ? — Will they make any such provision for those who wear out their lives in their own service ?

* In January 1786 the number of people employed in India, in the production and manufacture of goods for the Company's trade, were

estimated at six millions. They are now probably near twice as many.

The Company have entered into engagements with a great number of ship-owners to find constant employment for their ships, which, on the faith of those engagements, have been built expressly for their service, and rigged, and found in every respect, in a very superior manner, which renders them capable of performing the longest voyages, and conveying their cargoes, with the greatest possible degree of security for life and property; and they are also armed and manned with sufficient strength to beat off not only the pirates, who have in all ages preyed upon defenceless ships in the Oriental seas, but also many of the warlike ships of hostile European Powers. — Must all these ships, to the value of above four millions sterling, which carry above a hundred thousand tuns *, and are too large to be turned into any other trade, be thrown upon their owners to rot in harbour?

We come now to consider the probable situation of the people, who have been benefited by supplying merchandize and stores of every kind for the Company's exportation. Of these the manufacturers, and particularly those engaged in the woolen manufacture, are the class for whom the Public are most solicitous to provide employment and emolument. It seems the most proper method, in order to obtain clear ideas upon this subject, to state

1) What the Company have *done* for the benefit of the British manufacturers and other classes of traders and producers.

2) What the private traders have *promised* to do for extending the exportation of British manufactures and produce.

3) What the private traders have actually *performed*.

1) From the first establishment of the Company, above two centuries ago, they have never ceased to direct their agents in India to use every endeavour to extend the sale of British manufactures; and so far have they been from being actuated by 'the meanness of mercantile prejudice', that they have constantly ordered their agents to make the extension of the consumption their first object, and to let the price be only a subordinate consideration. But the truth is, that there are obstacles to a very extensive consumption of European goods, proceeding, as already observed, from the nature of the climate, and the religion

* In the beginning of the eighteenth century the shipping of all England amounted to 261,222 tuns, whereof there belonged to the port of London 84,882
In the year 1760, the commencement of his present Majesty's

reign the shipping of England was about 500,000 tuns.
At the end of the eighteenth century it had increased to 1,466,632 of measured tunnage, all the preceding numbers being by estimate.

and

and manners of the people ; and it is certain, that no reduction of price, nor even gratuitous donations, can ever force into use any of the articles obnoxious to such imperious prohibitions.

The Company's agents in India have not been neglectful in attempting to introduce British goods in every country accessible to their efforts. The several Presidencies have endeavoured to establish trade with Assam, Ava, Thibet, Bussorah in Persia, Japan, and the other Oriental islands, besides all the countries of Hindoostan. But, notwithstanding their utmost efforts, they have found the trade of many places, after a sufficient trial, incapable of supporting the charges, and have been obliged to send many hundreds of bales of woolen goods from India to China, where the increased purchases of tea have proved of great service in pushing off our woolen manufactures. But, after all the efforts of the Company's servants, vast quantities of woolen goods are continually lying on hand at every factory.

Sometimes, when the Company, in consequence of their warehouses in India being filled with goods, have proposed to diminish their exports, the manufacturers have represented to them the distress to which a disappointment in the expected amount of their sales must reduce them and their dependents, whereupon the Company, in order to relieve them, have agreed to take upon themselves the burthen of the full usual quantity. It is a further accommodation to the woolen manufacturers, that their goods are received in regular weekly portions during the season proper for drying them : and this steady and uniform regularity, together with the punctuality of the payments, enables them to conduct their business in the most comfortable manner for themselves and all connected with them.

Those, who have not turned their attention to the subject, will not easily conceive that the fabrication of the woolen goods exported by the Company, amounting since the extension of the trade in China to above £1,000,000 annually *, gives employment to forty thousand persons, from the shepherd, who feeds the sheep and shears the wool, to the finisher, who puts the goods out of his hand in a state fit for consumption or exportation.

For many years the Company had desisted from exporting tin, because that metal is found in some parts of India. But, upon the proprietors of the Cornish mines representing to them, that the sales of their tin had fallen off so much that they were not able to find employment for all their people, they again

* For an account of the woolen goods exported by the Company in a considerable number of years, see the Appendix, N^o VI.

began to export tin in the year 1789 ; and they have continued to export it to a considerable amount ever since, to the great relief of the Cornish miners and all connected with them.

They have also exported iron and copper to a very large amount, till the later was prohibited on account of the great demand for the Royal navy : and, in general, it may with great truth be affirmed that the Company's own exports, together with those of their captains and officers, have been always sufficiently ample to prevent any part of India from ever being in want of any article that can be supplied from Europe, and can be consumed in India.

By persevering in their exports, though in many important articles without a profit, or at a loss, the exportation of silver has been reduced a vast deal below what it must otherways be, unless we are content to resign the importation of India and China goods into the hands of foreigners, and to let them supply us for our own consumption.

2) We have seen that the advocates for private trade have promised to carry the exportation of British manufactures to a most prodigious extent, and to fill every port in the wide expanse of the Indian and Pacific Oceans with the productions of British industry, which is to be fostered to the highest possible extent of encouragement by the patriotic exertions of the new East-India merchants ; and, in like manner, they are to bring all the exportable produce of India into the port of London, and consequently the British consumers and manufacturers, and the foreign merchants, are there to be supplied with Indian merchandize of every kind, and particularly with raw materials for manufactures, in the greatest abundance, and at much lower prices than they could be got for from the monopolizing Company.

Let us now descend from the hyperbolical flights of indefinite promises, and attend to the proposition, seriously made by an eminent house concerned in the Indian agency. In the year 1787 the principal partner of this house, by a letter addressed to the Court of Directors, engaged to ship goods for India in the five ensuing years to the undermentioned extent in bulk and value, and to pay freights for them as follows :

Years.	Tonnage.	Value.	Freight.
1 st	6,000	£500,000	£30,000
2 ^d	7,000	550,000	35,000
3 ^d	8,000	600,000	40,000
4 th	9,000	650,000	45,000
5 th	10,000	700,000	50,000
			and

and the Directors were assured that this very ample exportation was not to affect the regular privilege of the Company's captains and officers.

This offer apparently influenced the Legislature, though they appear not to have been quite convinced, that a single house could ever export 10,000 tons of goods to India in one year, and induced them in the year 1793 to require 3,000 tons of shipping to be appropriated every year to the service of the private traders.

3) We now leave promises, and come to facts. After the act was passed, by which the Company were bound to provide shipping for the private adventurers,

In the first year they occupied only 919 tons, whereof 822 were shipped by the gentlemen, who had offered to begin by shipping 6000 tons. The goods consisted of

Beer	116 tons.	Iron	250 tons.
Cochineal	10	Lead	174
Carriages	80	Lines and twine	2
Cordage	24	Mahogany	23
Cabinet ware	16	Marble	14
Canvas	20	Oil and paint	9
Floor-cloths	2	Plated ware	2
Glass ware	39	Pictures	1
Hardware	15	Saffron	3
Horse hair	1	Tin	1
Ironmongery	16	Woolen goods	1
Lamps	3		
			480
			342
			822 tons.

Only one tun, *one eight-hundred-and-twenty-second part of the whole shipment*, of the favoured manufacture of England, which is constantly brought forward in the most prominent manner in all arguments for the unlimited freedom of the trade with India!

In the second year, 1794-5, the private merchants shipped for
 India 40 tons.
 In the third year, 1795-6, 31
 In the fourth year, 1796-7, 252
 In the fifth year, 1797-8, none.

In that year ten thousand tons of British merchandize were to be shipped for India by one house only *.

It appears quite unnecessary to say any thing further upon the advantages to be enjoyed by the British manufacturers in consequence of the wonderful extension of the exportation of their fabrics to India.

The purchasers at the Company's sales consist of many numerous classes of people;—Manufacturers, who want raw materials for working up in their fabrics;—Dealers, who purchase for supplying the British consumers;—Foreign and British merchants and agents, who buy for exportation to foreign countries, a trade which was very great and important before the present interdiction of British commerce upon the continent of Europe. All these classes of purchasers have always found a sure and ample supply, *without a glut*, of every article that can be imported from the East, and is in demand in Europe, at the Company's regular sales. If these sales are given up, or interrupted, they must suffer the mortification of having their plans of business deranged, and be utterly at a loss to know where to look for the goods, which they had hitherto found of proper qualities, and conveniently assorted, at the Company's periodical sales. If the sales are too numerous and frequent, as may be expected during the first ardour and rivalry of unconnected open trade, though even in the redundance there must be a want of assortment, the purchasers must suffer a repetition of the miseries, which, as we have already seen (p. 160) flowed from the unbounded open trade about the end of the seventeenth century.

The manufacturers must also be exposed to very great injury from an unlimited and uncontrouled importation of those species of cotton and silk goods, which are now imported only for exportation, and which the manner of landing them, and the obligation of warehousing them and selling them by public sale, render it next to impossible to smuggle; whereas in a loose and open trade it would be impossible to prevent great quantities of such goods from being smuggled into this country, and being consumed in it, to the great damage and discouragement of British industry †.

* An Account of the tunnage actually occupied by the private trade from the season 1793-4 to 1807-8 will be found in the Appendix, No XII.

† The writer of a pamphlet, called 'A demonstration of the necessity and advantages of a free trade to the East Indies,' finds no difficulty whatever in guarding against smuggling:

for, says he, 'Would not, in this case, the vigilance of the excise officers be proportionately increased?'—An increase of the vigilance of the excise officers can only mean an increase of their numbers: but surely the armies of revenue officers, and the fleets of revenue cruisers, are already sufficiently chargeable.

Nobody can suppose that the supply of raw materials, such as cotton, silk, indigo, sunn hemp, saltpetre, &c. will be continued by the private traders, unless they can get a profit by them. The disinterested patriotism of carrying on the unprofitable or losing branches of a trade along with the profitable ones, for the benefit of the Nation at large, can only be expected from a great Company, whose trade is of sufficient magnitude to bear a loss on some branches of it, while they find it profitable upon the whole, and who are so numerous that the loss falls light upon each individual.

The new East-India merchants are those actually engaged in the trade as principals or agents. The reader has already seen the origin of their trade, and the prospects they have held out of a vast extension of the exports of British manufactures and the imports of India merchandize : and these great improvements of the India commerce, they say, can only be effected by the use of India-built shipping, the low freights of which can enable them to carry out British goods so cheap, that the consumption of them in India will be greatly increased.

It is, however well known, and has, indeed, been acknowledged by some of the India agents in London, that it is impossible by any reduction of prices to extend the consumption of European goods among the native Hindoos* : and thence it appears, that all the mighty advantage of carrying goods to India at less expense (though it has been demonstrated that freight, and insurance, taken together, cost more in India-built ships than in British ones) for the attainment of which the Legislature are called upon to abolish the privilege of the East-India Company, and to subvert the beneficial system of trade, which has been matured by the wisdom and experience of a succession of men of the first commercial knowledge and talents during the efflux of two centuries, would consist in letting the resident Europeans, whose number it is not professedly intended to increase †, and the few Mohamedan and Hindoo consumers, have the small quantity of goods they require at prices somewhat reduced, which would be a very trifling advantage to them, but none at all to the persons concerned in procuring it for them : nor can the advantage, if any, be perceptible, unless when the rashness of the concurrent traders makes a glut in the market, which has been stated by one of the gentlemen, examined by the Committee of the House of Commons in May 1809, to be actually the case at that time. Thus the exertions of the new traders, by running into all the minute branches of trade, hitherto resigned to the captains and officers of the Company's ships, can only

* See above, p. 362 note.

† The present advocates of free trade do

not profess to follow Smith in his scheme of colonization.

supersede and ruin the trade of a very meritorious class of British navigators, with great damage to themselves.

Piece goods constitute a branch of the Company's trade, with which the private merchants were expressly prohibited by the act of Parliament from interfering, unless with the express consent of the Company, and with which they declared at the commencement of their trade, that they had no desire to interfere. Nevertheless, they soon applied for, and obtained, leave to deal in piece goods of every kind; and the manufacturing districts of India were immediately overspread with their agents, who seduced the weavers to employ the money they had received in advance, as usual, from the Company's agents, in making up goods of inferior quality, and deficient of the standard lengths and breadths, by which means they collected great quantities of very indifferent goods: and we shall presently see the consequence of their eagerness to supplant the Company in their purchases.

Upon an average of twenty-five years, preceding 1798, the Company, conducting their trade in all its branches upon the prudent mercantile principle of regulating the imports in proportion to the experienced demand, imported annually 643,993 pieces of Bengal piece goods, which sold at the average price of £1 14 8. But when the inordinate importation of the private merchants began to deluge the market, the prices fell, and continued falling lower and lower till the year 1806, when the average price was brought down to £0 14 9

The private-trade goods, being of inferior quality, averaged in the March sale of 1803 only 0 12 6
and afterwards continued falling in the three subsequent years to 0 10 2
and only twice in these years averaged so high as 0 12 0

The same pernicious effects were felt in the sales of the Coromandel and Surat piece goods, the raw silk, pepper, &c. *. Frequently vast quantities of goods were laid aside, because no buyers could be found at any price †: and more than half of the private-trade goods, apparently sold, were bought in by the agents, in hopes of afterwards finding an opportunity of disposing of them to better advantage, for want of which vast quantities of them lay in the warehouses so long after the time limited for the exportation of them, that the agents were repeatedly obliged to petition the Privy Council for orders to prolong the time allowed by act of Parliament, in which they were always indulged.

* Smith would have rejoiced to see this
' great benefit of the consumers.'

† For the sales of Bengal piece goods during
ten years see the Appendix, N^o IX.

Now was demonstrated, what had perhaps not been apprehended by the sanguine declaimers, that it was possible to overdo the trade of India, and that the importation of any quantity of goods, much beyond what experience has proved to be sufficient for the demand, must be attended with pernicious consequences to the importers, without any considerable advantage to the consumers.

If the Company were entirely laid aside, the effects of the unconnected importations, and the rival sales, each importer selling his own goods, would be still more ruinous; and all, or almost all, the private merchants would be glad to abandon the envied trade of India.

The national revenue, and the Nation at large, are much more interested, in a pecuniary point of view, in the prosperity or distress of the Company, than the members of the Company themselves are.

The income of all the members of the Company, derived from their property in the capital joint stock, is, with the present deduction of income tax, only £567,000.

The tax paid from their income to the revenue is . . . £ 63,000

The duties upon their trade amount to about . . . 4,000,000

a sum far greater than what is raised by the land and malt taxes of the whole kingdom*.

Their trade enables their servants, and the many thousands depending upon or connected with them, to pay in taxes at least 1,000,000

The Company have paid to the Public at various times out of their own treasury very large sums, amounting to above eight millions, of which only a small part remains as a debt payable to them, and payable only in case of refusing to renew their privilege of exclusive trade; and for this small remainder they receive interest only at the rate of three per cent, whereas Government have paid above six per cent for some of the money borrowed since the year 1793. The annual difference of interest between three per cent and five may be valued at least at . . . 90,000

Besides these great sums, the Public would be entitled to a participation of the Company's revenue to the large annual amount of 500,000

* To the duties upon the Company's own trade may be added the greatest part of the

large sum paid for duty upon sugar, the chief consumption of it being in using it with tea.

if not prevented by the extraordinary expenses of war, or preparation for war. (See the act 33 Geo. III, c. 52, § 122)

The Company support a fleet of capital ships, and between twenty and thirty thousand seamen : and, as all their ships are constructed, armed, and equipped, so that they may act as ships of war, they make a most important addition to the maritime strength of the British empire : and, instead of drawing great sums from the national purse, as other ships of war do, they are the means of pouring vast sums into it. If the Company's trade is abolished or contracted, the maritime defence of the kingdom must be proportionally impaired.

The Company's Indian territories, for which some envy them, and others affect to ridicule them under the witty appellation of counting-house Kings *, though of little or no benefit to themselves, are of prodigious importance to the State : for, if they were not occupied by the Company, they would pretty certainly be occupied by some other European Power, and most probably France, to whom they would prove a great acquisition of opulence and strength, and particularly of maritime strength, in consequence of which the opulence and maritime power of Great Britain must decline in proportion.

In a political view some articles of the Company's imports are of the highest importance to the State. Saltpetre is regularly supplied to the Public, and at a price which does not repay the cost and the charges of importing it. Sunn hemp has also been imported at the desire of Government, but with a loss to the Company. Will private traders oblige themselves to supply these articles, so essentially necessary in time of war, unless at prices far above what have been paid to the Company? Can they be depended upon for a *regular* supply at any price?

We have seen that innumerable individuals derive a comfortable support from being employed by the Company in their immediate service, from providing the variety of goods required for their vast exportation, and from manufacturing, supplying to the consumers at home, and exporting to foreign countries, the goods produced and manufactured under the direction of the Company, which

* Hiram, King of Tyre, ' the renowned city, which was strong in the sea, whose merchants were Princes, whose traffickers were ' the honourable of the earth,' in company with Solomon, King of Israel, was concerned in commercial voyages upon the Indian Ocean,

perhaps to India, by which those Royal merchants acquired great riches. Their example is not, however, to be recommended to the imitation of Sovereigns in the present state of the world.

are imported with steady regularity, and sold at lower prices than they could be obtained at from other quarters. The wealth, acquired by all these respectable and important classes of the community, is spread by the innumerable channels of their expenditure through all the descriptions of industrious people in every part of the country, and enables them to pay their contributions to the national revenue, which must therefor be diminished, if the Company's trade were abolished or contracted.

The Company, though grievously afflicted by the pressure of wars in India and in Europe, have continued to send their fleets to sea, and to conduct their vast business, with almost uniform regularity, to the great advantage of the State and the Nation in general ; whereas all the other European Companies, except the Dutch in the first vigour of their youth, have sunk under the calamities of warfare, or have absolutely laid up their ships at the commencement of war : and most of them have turned out heavy burthens upon their national treasuries, as was particularly the case with the East-India Company of France. It can never be expected that the ships of private traders, if they were even as strong as those of the Company, would keep together in fleets for mutual protection. Every one would run to get first to a market, and thereby be exposed to the danger of being carried into an enemy's port : the owners, shippers, and underwriters, would lose their property ; and the whole Nation would suffer by the derangement of the trade.

Those, who desire to put themselves in the place of the Company, have not said one word about advancing large sums for the public service under the usual rate of interest. They promise, indeed, a prodigious increase of the revenue from the great extension of the trade. But an unlimited extension must infallibly produce an unreasonable depression of prices, though with a very trifling augmentation of the sales, the consequence of which must be a great falling off in the amount of those duties, which are rated *ad valorem* : and the practice of buying in private goods at very low prices at the Company's sales, and selling them afterwards by private contract at higher prices, has already the same effect in lessening the revenue. As it is, moreover, certain that a permanent very great extension of the trade is utterly impossible, and that, on the contrary, a very great diminution of it, if the Company's privilege were abolished or invaded, is extremely probable, or rather certain, seeing the exports and imports of articles, which do not yield a profit, would be totally given up, it is evident that the revenue of the Public and the political service of the Public, must be very much injured, and the great body of the people must suffer severely by the change.

The great revenue arising from the East-India trade may be considered as certain and permanent *, if the Company's privilege is duely supported: and it can scarcely be supposed that the great Guardians of the Nation will think such a revenue an object to be sported with by way of experiment, if, indeed, a project, which has already failed, can any longer be called an experiment.

THE CONCLUSION.

If the productions and manufactures of the East were unnecessary or prejudicial, every friend to his country would desire that the importation of them should be totally prohibited. But, if they cannot be produced in other parts of the world, and our habits have rendered them necessary to us, and if it is more advantageous, in respect to national interest, that we should import them ourselves, than that we should buy them from other European importers, the trade must be continued: and it must be continued in the way that will render it permanently beneficial to the importers, to the State, and to the people at large. It may be presumed that the reader, who has favoured the preceding pages with his attention, and has observed the causes which effected the decline and fall of the India trade in the other countries of Europe, and the regular progress, the general success, and the stability, of it in this country, will not hesitate to decide, that the intercourse with the Oriental countries can be conducted advantageously only by a great Company, duely supported by the authority of the supreme Government, and capable of maintaining forts, and garrisons, and strong armed ships, for the protection of their commerce.

* It may probably be thought prudent, on the return of peace, to lower the duties upon tea, and perhaps upon some other articles, in order to prevent smuggling: but in that case

the diminution of revenue will be less in reality than in appearance, as money, it is hoped, will recover some part of the value it has lost during this long-protracted war.

A P P E N D I X
OF
A U T H E N T I C A C C O U N T S.

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In making up the East-India Company's Accounts sometimes one day, and sometimes another, is assumed, by established official custom, for the commencement of the year, for example, 1st March, 1st May, 1st September, &c. and thence it happens that two Accounts, which ought apparently to be the same, as being dated in the same year, may be somewhat different.

An Account of the number of ships in every fleet fitted out at Lisbon for India, from the discovery of the passage by the Cape of Good Hope to the year 1640; extracted from the copious account given by Manuel de Faria y Sousa in his Asia Portuguesa, V. iii, pp. 530 et sequ.

The fleets always sailed between February and April.

Years.	Ships.	Years.	Ships.	Years.	Ships.	Years.	Ships.	Years.	Ships.
1497	3	1521	3	1555	5	1590	5	1619	4
1500	13	1522	4	1556	5		3 ^e		5
1501	4	1523	9	1557	5	1591	6 ^f	1620	4
	9	1524	17	1558	4	1592	4		2
1502	5	1525	6	1559	6	1593	5		2
1503	5	1526	5	1560	6	1594	10	1621	4
	3	1527	5	1561	5	1595	5		6
	3	1528	11	1562	6	1596	5	1622	4
	3	1529	5	1563	4	1597	3		4
1504	13	1530	6	1564	4	1598	5 ^g	1623	3
1505	22	1531	5	1565	4	1599	4		5
	6	1532	5	1566	4		3	1624	2
	2	1533	7	1567	4	1600	4		6
1506	16		10	1568	5	1601	4	1625	2
	6	1534	5	1569	4		5 ^h	1626	3
1507	4	1535	7	1570	4	1602	6	1627	2
	4	1536	5		1	1603	5		4
	7	1537	5		3	1604	5	1628	3
1508	4		6	1571	7		2	1629	3
1509	13		8	1572	4	1605	6		6
	16	1538	11		1		3	1630	2
1510	4	1539	6	1573	4		1	1631	2
	7	1540	4	1574	6	1606	3 ⁱ		2
	3	1541	5	1575	4	1607		1632	3 ^l
1511	6	1542	4	1576	5	1608			3
1512	9	1543	5	1577	4		8	1633	2
	4	1544	6		2		5		2
	1	1545	6		3	1609	5	1634	3
1513	4		1	1578	3	1610	3	1635	2
1514	5	1547	6		2	1611	3		2
	2		3	1579	5 ^b		2	1636	2
1515	17		3	1580	4		1	1637	2
	3	1548	5	1581	5 ^c		1	1638	4
1516	5		3	1582	5	1612	3	1639	0
	1		3	1583	5	1613	4	1640	Number left blank by Faria.
1517	6	1549	5	1584	6	1614	5		
1518	12	1550	5	1585	5	1615	4		
1519	14	1551	8	1586	6 ^d	1616	3		
	3	1552	6	1587	6	1617	4		
1520	10	1553	5 ^a	1588	5		2		
1521	12	1554	6	1589	5	1618	5 ^k		

^a Camoens, the Portuguese epic poet, sailed to India in this fleet.

^b Faria wonders that so many as five ships could be fitted out in the distressed state of the country after the loss of King Sebastian.

^c This, and all the subsequent fleets in this account, were fitted out by the Kings of Spain, as Sovereigns of Portugal; or by farmers or temporary Companies acting under their licence.

^d One of these ships was taken by Drake. (See above, p. 76.)

^e The admiral ship was taken by the English in sight of Lisbon.

^f The Madre de Dios, the admiral ship, was taken by the English on her return from India.

^g This fleet did not sail, the mouth of the Tagus being blocked up by an English fleet.

^h The admiral ship was taken by the Dutch at Saint Helena.

ⁱ These ships were got ready in 1606. But the Tagus being then blocked up by the Dutch, they did not sail till 1607.

^k The admiral gave a great deal of money to some English ships at the Cape of Good Hope to let him pass. (Trigauius, a Jesuit missionary, states the sum at 80,000 patacas.)

^l These ships appear not to have sailed.

N. B. All the notes in this Appendix are from Faria, except what is within parentheses.

An Account of the sums of money paid to the Public by the United Company of Merchants of England trading to the East Indies, for their privilege, &c.

1708 Lent without interest £1,200,000. The value of the interest, reckoning it at 5 per cent. £1,200,000

At this time the legal interest of money in England was six per cent.

1730 Paid into the Exchequer without interest or stipulation for repayment 200,000

Defalcation of £32,000 of annual interest, value at 20 years purchase 640,000

1744 Lent upon a renewal of the privilege, *of which twenty-five years were yet to run*, £1,000,000, at three per cent. Excess of the capital beyond the value of the interest 400,000
besides the value of the advance for 25 years at compound interest.

1750 Value of a further defalcation of £32,000 of annual interest 640,000

1767-8 Paid for the territorial revenue being secured for two years 800,000

1769-73 Paid for . . . d^o for five years 1,369,399

1769-73 Paid as indemnity on tea duties 483,049

1781 Paid on renewal of the privilege 400,000

1793 Paid on d^o 500,000

and further by cancelling a debt owing by Government for expeditions undertaken by desire of his Majesty's Ministers, for prisoners, &c. 443,632

Difference between the value of £2,992,440 in three-per-cent annuities, now declared by Parliament to be redeemed, and the money really paid by the Company to the Public, reckoning £60 the real value of an annuity of £3 1,196,976

This *redemption* consisted in making the proprietors of the annuities go to the Bank, instead of the India house, to receive their dividends.

To these sums may be added the following voluntary gifts made by the Company to the Public.

1779 Expense of raising 6,000 seamen, and of building, arming, and completely equipping, three ships of 74 guns, for the Navy £ 109,002

1794 Paid in bounty to seamen for the Navy 57,000

1803 Expense of 10,000 tons of shipping for six months, presented to the Public

And also the following charges brought upon the Company by acts of Government.

Extraordinary expenses of wars since the commencement of the Company, impossible now to be estimated.

Those occasioned by the American war were estimated at 3,858,666

Cost of tea destroyed and lost in America in 1774 15,819

Paid for victualing his Majesty's ships, and charges on his troops in India in 1789 and 1790 500,000

The extraordinary expenses of the present war must be much above 10,000,000

Sums expended on Government account beyond what have been refunded to the Company 2,092,984

and also

The obligation to deliver saltpetre at a limited price. The difference between that and the market price has amounted to 436,689

The sum lost by importing sunn hemp at the desire of Government in 1800 and 1803.

Account of Indigo sold at the East India Company's Sales in the following Years ; being the whole quantity imported from the East Indies by the Company, the Officers of the Company's Ships, and Private Merchants ; including also the Neutral Property and Prize Indigo, the amount of which is stated in a separate Column.

		Total quantity sold including Private Trade and Neutral Property and Prize.		Neutral Property and Prize Indigo, included in the total quantity sold.	
		Weight.	Sale Amount.	Weight.	Sale Amount.
		lbs.	£	lbs.	£
1786	-	245,011	61,533	—	—
1787	-	415,625	95,067	—	—
1788	-	416,687	86,437	—	—
1789	-	460,697	105,350	—	—
1790	-	578,513	137,107	—	—
1791	-	559,309	209,564	—	—
1792	-	509,732	183,351	—	—
1793	-	999,165	335,668	—	—
1794	-	858,516	274,620	—	—
1795	-	2,644,710	614,285	16,616	4,074
1796	-	2,923,848	505,878	126,134	24,685
1797	-	2,533,305	558,803	22,440	4,547
1798	-	2,847,602	735,575	—	—
1799	-	4,571,420	1,024,983	59,596	10,598
1800	-	2,432,075	774,955	10,337	2,598
1801	-	2,097,049	805,993	2,446	839
1802	-	2,259,555	878,575	587,166	239,539
1803	-	2,068,990	770,908	—	—
1804	-	2,352,714	1,081,140	—	—
1805	-	3,485,567	1,393,055	—	—
1806	-	2,299,736	774,523	4,553	137
1807	-	5,131,152	1,861,283	17,837	7,465
1808	-	3,068,758	803,862	95,244	29,709
1809	-	4,727,595	1,102,309	—	—
1810	-	5,570,824	1,942,328	317,335	87,337

APPENDIX, N° IV.

An Account of the Tea sold by the United Company of Merchants of England trading to India, including the Tea imported in private trade, and showing the weight and the sale amount ; together with the amount of duty paid upon it to the Revenue.

Years	Weight in pounds.	Amount.	Amount of duty.	Years ending 1st Sept.	Weight in pounds.	Amount.	Amount of duty.	Years ending 1st Sept.	Weight in pounds.	Amount.	Amount of duty.
1765	5,473,186	£1,137,228		1785	16,307,433	£2,505,368	£324,730	1795	20,587,527	3,188,439	£503,962
1766	5,586,356	995,858		1786	15,093,952	2,195,696	285,460	1796	21,096,397	3,059,873	635,572
1767	5,503,474	911,429		1787	16,692,426	2,585,803	336,090	1797	19,650,726	2,832,462	788,573
1768	8,525,883	1,321,973		1788	15,959,339	2,401,839	312,370	1798	19,766,484	3,049,079	946,752
1769	9,447,522	1,425,708		1789	16,003,784	2,544,885	330,950	1799	24,853,503	4,086,376	1,410,178
1770	8,574,421	1,555,968		1790	15,856,160	2,401,010	312,140	1800	23,168,241	3,520,323	1,307,723
1771	6,799,010	1,316,568		1791	16,989,748	2,619,379	340,520	1801	25,098,601	3,894,951	1,598,540
1772	7,032,134	1,238,434		1792	17,294,205	2,642,875	344,050	1802	23,364,218	3,574,448	1,478,888
1773	4,577,477	830,902		1793	18,586,043	2,714,694	353,223	1803	27,082,755	4,222,066	2,022,426
1774	6,831,534	1,041,841		1794	17,603,284	2,714,017	352,800	1804	22,104,062	3,118,977	2,430,890
1775	6,225,343	1,031,216						1805	24,566,148	3,763,150	3,050,340
1776	4,577,933	777,011						1806	24,115,733	3,861,327	3,184,187
1777	5,582,752	930,280						1807	22,713,991	3,723,744	3,116,647
1778	4,770,520	809,583						1808	25,161,108	4,226,794	3,493,774
1779	6,733,202	1,263,162						1809	23,110,685	3,772,509	3,057,754
1780	7,559,278	1,309,305						1810	24,540,923	4,162,904	3,548,860
1781	5,023,419	1,007,457									
1782	6,283,664	1,242,766									
1783	5,857,823	1,131,342									
1784	10,148,257	1,774,593									

After the act of 1784 the buyers paid the duty ; and consequently the sale amount in the subsequent years is the net money received by the Company.

N. B. The sale of tea for the home consumption of Great Britain gives employment and emolument to about 55,000 dealers, who pay above £16,000 annually to the revenue for their licences.

The duties of custom and excise, on an average of some years preceding 1784, amounted annually to £700,000, which sum was then paid by the Company, out of the price for which the tea was sold, and consequently must be deducted from each year's sale amount, in order to ascertain the net amount.

An Account of the number of pounds of tea shipped at Canton in China onboard foreign European and English ships in the following seasons.

	1782-3	1783-4	1784-5	1785-6	1786-7	1787-8	1788-9	1789-90	1790-1	1791-2	1792-3	1793-4	1794-5
Swedish	4,265,600	4,878,900	0	6,212,400	1,747,700	2,800,900	2,589,000	0	0	1,591,330	1,559,730	756,130	0
Danish	5,477,200	3,204,600	3,158,000	4,378,100	2,092,000	2,604,000	2,496,800	1,773,000	520,700	0	852,670	0	24,670
Dutch	0	5,334,000	5,334,000	4,458,800	5,943,200	5,794,900	4,179,600	5,106,900	1,328,500	2,051,330	2,938,530	2,417,200	4,096,800
French	0	4,231,200	4,960,000	466,600	382,260	1,728,900	292,100	294,300	442,100	784,000	1,540,670	0	0
Imperial	0	3,428,400	0	0	0	0	0	0	0	0	393,870	0	0
Tuscan	933,300	0	0	0	0	0	0	0	0	0	0	0	0
Portuguese	3,954,100	3,199,000	0	0	0	499,300	0	0	0	5,070	0	0	0
Prussian	0	0	0	0	0	0	0	0	0	0	0	0	0
Spanish	0	3,329,800	0	0	0	0	318,400	0	260	0	400	0	0
Genoese	0	0	0	0	0	0	0	0	0	0	578,930	289,470	17,460
Total Foreign	14,630,200	19,072,300	16,651,000	15,715,900	10,165,160	13,578,000	10,675,900	7,174,200	2,291,360	4,431,730	7,864,800	3,462,800	4,138,930
English	4,138,295	9,916,760	10,383,628	13,480,691	20,610,919	22,096,703	20,141,745	17,991,032	22,369,620	13,185,467	16,005,414	20,728,705	23,733,810

	1795-6	1796-7	1797-8	1798-9	1799-	1800-1	1801-2	1802-3	1803-4	1804-5	1805-6	1806-7	1807-8
Swedish	2,759,800	0	1,406,200	1,408,400	444,800	2,202,400	185,533	1,427,067	0	2,352,666	0	0	0
Danish	0	2,504,400	1,307,800	2,910,900	1,132,266	963,467	0	1,380,266	0	966,133	1,739,866	0	0
Dutch	0	0	0	0	0	0	0	305,333	0	0	0	0	1,144,266
French	0	0	0	0	0	0	0	353,600	0	0	0	0	0
Russian	0	0	0	0	0	0	0	0	0	0	69,600	0	0
Prussian	0	0	0	0	0	802,400	0	0	1,073,733	0	0	0	0
Spanish	0	0	0	0	0	0	0	0	533	0	0	0	0
Hamburg	0	0	0	0	0	0	0	0	0	0	0	0	0
Unknown, 2 ships	0	0	0	0	0	0	0	590,000	0	0	0	1,534,267	0
Total Foreign	2,759,800	2,515,460	2,714,000	4,319,300	1,577,066	3,968,267	185,533	5,812,266	1,074,266	3,318,799	1,809,466	1,534,267	1,144,266
English	19,379,900	36,994,200	29,934,100	16,795,400	26,585,337	29,772,400	38,479,733	35,058,400	31,801,333	28,506,667	22,810,533	32,683,066	25,347,733

This account presents a most illustrious proof of the beneficial and powerful effects of moderate duties in promoting fair trade and national prosperity, and in abolishing the pernicious trade of smuggling, for which the tea was entirely supplied by the foreign Companies, who were enabled by the high duty upon tea in this country to beat our fair traders out of our own market, and whose imports, we here see, dwindled away almost to nothing, as soon as they felt the effect of the happy change effected upon the tea trade of this country by the commutation act. The Company's importation in 1785 and 1786 would have been much larger, if they had not filled their warehouses by relieving the foreign Companies from the load of tea they had then on their hands.

See above, p. 209.

This account being intended to show the effect of the commutation act upon the foreign European trade, as well as upon the British importation, it is necessary to keep the American trade in

tea out of it. In the year 1785 the Americans carried 880,100 pounds of tea from China, being their first importation from that empire; and in the subsequent years, before the war of the French revolution began, their imports averaged about 1,500,000 pounds. The war which has driven most of the European nations almost entirely out of the trade, together with the rapid increase of population and opulence in their own country, has greatly increased their imports of tea, which in the year 1806 amounted to 9,644,667 pounds, the greatest quantity they ever carried from China in one year. In 1807 they imported 7,730,933 pounds; and it is believed that their trade has since declined.

The Dutch generally imported some tea from Batavia, till their East-India trade was destroyed by the war.

An Account of the net prime cost of the Woolen goods, exported to the following countries by the United Company of Merchants of England trading to India, in the under-mentioned years.

	1781	1782	1783	1784	1785	1786	1787	1788
Bengal . . .	£ 61,829	£ 56,279	£ 35,329	£ 32,305	£ 17,930	£ 21,177	£ 39,732	£ 41,367
Madras . . .	20,742	23,256	22,362	24,654	18,807	23,008	29,049	20,876
Bombay . . .	118,176	43,312	36,810	34,472	36,554	78,238	39,112	56,837
Bencoolen . .	0	84	0	0	675	0	0	0
Saint Helena .	79	903	760	774	717	286	495	369
China . . .	129,179	94,992	113,763	146,741	224,612	202,023	323,107	335,392
Total . . .	330,005	218,826	209,024	238,946	299,295	324,732	431,495	454,841

	1789	1790	1791	1792	1793	1794	1795	1796
Bengal . . .	£ 37,121	£ 35,934	£ 42,939	£ 39,564	£ 40,418	£ 27,107	£ 48,818	£ 54,139
Madras . . .	18,600	19,543	21,917	18,476	18,544	19,669	37,457	39,286
Bombay . . .	23,935	19,226	29,730	29,344	51,896	22,088	79,725	89,363
Bencoolen . .	0	29	29	0	20	952	2,021	1,120
Saint Helena .	528	409	773	480	982	951	1,415	1,076
China . . .	354,717	431,385	484,705	587,421	628,582	642,405	527,020	402,827
Total . . .	434,901	506,526	580,093	675,285	740,442	713,172	696,456	587,811

	1797	1798	1799	1800	1801	1802	1803	1804
Bengal . . .	£ 58,241	£ 80,779	£ 86,229	£ 71,872	£ 85,687	£ 67,408	£ 72,236	£ 72,986
Madras . . .	20,752	5,532	38,640	53,678	108,660	113,322	49,267	46,940
Bombay . . .	69,471	80,960	90,865	96,044	86,258	66,726	59,100	37,899
Bencoolen . .	0	0	0	2,540	2,193	2,325	3,329	3,038
Saint Helena .	726	1,464	1,480	1,615	2,039	755	623	2,348
China . . .	402,376	709,650	746,130	801,536	930,913	1,027,061	1,047,753	915,984
Total . . .	551,566	878,385	963,344	1,027,285	1,215,750	1,277,597	1,232,308	1,079,195

	1805	1806		1807	1808	1809	1810
Bengal . . .	£ 57,203	£ 52,494	Bengal . . .	£ 81,976	£ 75,830	£ 51,816	£ 61,214
Madras . . .	25,354	23,708	Madras . . .	12,810	14,425	18,829	30,613
Bombay . . .	76,177	140,499	Bombay . . .	102,692	103,179	91,593	116,787
Bencoolen . .	3,927	3,917	Bencoolen . .	5,015	2,353	1,306	4,276
Saint Helena .	2,376	2,311	Saint Helena .	2,954	939	883	445
China . . .	1,042,795	1,032,099	Prince of Wales' Island	46,783	13,336	177,845	11,069
			China . . .	977,796	877,569	745,244	809,409
Total . . .	1,207,762	1,255,028		1,230,026	1,087,631	1,087,516	1,038,813

N. B. The exports for the little rock of Saint Helena are not so much inferior, as might perhaps be expected, by those who look for a great consumption of British goods in all populous countries, to those for Bencoolen, which is the port for the supply of Sumatra, one of the largest islands in the world. So very few are the articles of woolen clothing required by the indigenous inhabitants of the Torrid zone.

The great increase of the exportation to China shows that the woolen manufacturers continue to enjoy the benefit of the Commutation act, when the consumers are deprived of it by the increase of the duty.

An Account of the Ships employed by the United Company of Merchants of England trading to the East Indies, of the Merchandize and Bullion exported by them, and of the Merchandize imported and sold by them, since the year 1710, as far as can be ascertained from Accounts already made up.

Seasons.	SHIPS.		EXPORTS.		Seasons.	SHIPS.		EXPORTS.			
	sailed.		Merchan- dize.	Bullion.		Total.	Sailed.	Arrived.	Merchan- dize.	Bullion.	Total.
1710	15		200,515	375,405	575,920	1743	18	—	228,562	552,678	781,240
11	12		162,292	327,705	489,997	4	16	—	218,008	463,056	681,064
12	8		109,042	223,162	332,204	5	22	—	217,511	481,097	698,608
13	11		85,206	263,000	348,206	6	20	—	188,529	564,978	753,507
14	9		79,364	364,871	444,235	7	24	—	128,252	786,120	914,372
15	12		60,866	422,726	483,592	8	14	—	165,731	713,142	878,873
16	13		68,547	489,636	558,183	9	15	—	275,890	909,136	1,185,026
17	13		88,036	608,118	696,154	1750	16	—	305,068	816,310	1,121,378
18	16		107,470	659,006	766,476	1	20	—	341,633	944,471	1,286,104
19	18		134,353	522,637	656,990	2	21	—	410,968	840,417	1,251,385
1720	20		121,958	454,546	576,504	3	21	16	418,015	951,951	1,369,966
1	18		147,615	629,929	777,544	4	16	17	281,429	674,672	956,101
2	17		135,104	609,768	744,872	5	15	21	215,030	625,485	870,515
3	12		118,457	466,468	584,925	6	20	19	341,430	801,807	1,143,237
4	13		96,992	597,652	694,644	7	21	14	310,786	459,841	770,627
5	12		79,987	466,421	546,408	8	24	13	358,949	174,099	533,048
6	12		76,573	488,351	564,924	9	22	16	366,974	144,160	511,134
7	13		101,403	368,389	469,792	1760	21	18	520,719	91,924	612,643
8	13		102,102	519,606	621,708	1	22	16	514,761	27,327	542,088
9	17		134,583	635,771	770,354	2	21	19	473,794	47,293	521,087
1730	13		136,573	539,755	676,328	3	28	16	495,643	39,500	535,143
1	16		149,626	619,226	768,852	4	23	17	510,025	369,831	879,856
2	12		141,232	397,342	538,574	5	23	20	538,813	317,963	856,776
3	14		116,008	406,762	522,770	6	24	26	582,420	955	583,375
4	14		125,293	495,421	620,714	7	28	25	563,472	—	563,472
5	16		185,695	487,327	673,022	8	32	19	653,000	163,568	816,568
6	17		237,537	562,881	800,418	9	30	28	614,583	244,956	859,539
7	18		147,736	497,110	644,846	1770	31	28	520,262	305,630	825,892
8	16		163,141	478,637	641,778	1	26	28	506,840	202,110	708,950
9	19		133,104	431,682	564,786	2	26	33	491,072	40,824	531,896
1740	19		257,452	489,160	746,612	3	15	27	471,499	11,867	483,366
1	19		160,250	441,360	601,610	4	15	19	474,596	10,200	484,796
2	15		281,419	585,957	867,376	5	19	14	510,958	10,080	521,038

Seasons.	SHIPS.		EXPORTS.			IMPORTS SALE AMOUNT.			
	Sailed.	Arrived.	Merchan- dize.	Bullion.	Total.	Company's Goods.	Private Trade.	Neutral Property.	Total.
1776	23	15	559,466	109,422	668,888	3,098,818	172,559	—	3,263,377
7	21	20	515,033	10,896	525,929	3,325,678	248,527	—	3,574,205
8	22	21	526,262	10,722	536,984	3,412,898	176,956	—	3,589,854
9	25	16	591,967	10,002	601,969	2,693,217	160,311	—	2,853,528
1780	20	2	386,152	15,014	401,166	3,171,623	206,511	—	3,378,134
1	30	27	666,322	—	666,322	2,738,326	130,104	—	2,868,430
2	24	15	547,092	—	547,092	3,031,894	321,280	—	3,353,174
3	13	10	405,442	—	405,442	3,000,978	144,176	—	3,145,154
4	27	31	418,747	—	418,747	4,204,981	400,784	—	4,605,765
5	43	28	529,165	724,317	1,253,482	4,647,974	611,205	—	5,259,179
6	34	27	551,317	749,833	1,301,150	4,667,049	547,337	—	5,214,386
7	30	36	767,627	646,798	1,414,425	4,874,745	918,389	—	5,793,134
8	32	40	772,262	489,192	1,261,454	4,256,518	810,516	—	5,067,034
9	31	34	924,204	787,078	1,711,282	4,417,823	838,484	—	5,256,307
1790	25	32	928,783	532,705	1,461,488	5,104,508	930,930	—	6,035,438
1	28	33	974,959	530,557	1,505,516	5,141,532	709,455	—	5,850,987
2	43	22	1,031,262	10,943	1,042,205	5,050,819	703,578	—	5,754,397
3	55	30	1,255,746	10,290	1,266,036	4,886,927	882,620	—	5,769,547
4	39	39	1,137,537	—	1,137,537	5,521,858	1,053,462	—	6,575,320
5	76	60	1,260,771	38,150	1,298,921	6,528,969	1,189,296	380,230	8,098,495
6	45	40	1,091,499	220,999	1,312,498	6,153,310	1,174,155	924,844	8,252,309
7	26	47	1,111,652	627,858	1,739,510	4,718,822	1,204,901	129,678	6,053,401
8	43	49	1,416,754	1,217,748	2,634,502	8,337,066	1,629,959	348,231	10,315,256
9	33	33	1,559,682	261,463	1,821,145	7,367,727	2,336,980	455,903	10,160,610
1800	49	53	1,702,810	601,976	2,304,786	7,602,041	2,382,092	339,319	10,323,452
1	39	38	2,077,184	435,595	2,512,779	6,627,501	2,305,235	220,775	9,153,511
2	52	50	2,116,811	1,709,938	3,826,750	6,048,028	3,512,375	67,739	9,628,142
3	55	44	1,874,256	986,781	2,861,037	5,877,569	2,542,245	5,454	8,425,268
4	51	54	1,825,689	1,233,538	3,059,227	5,267,578	2,776,814	—	8,044,392
5	49	50	1,897,068	699,986	2,597,054	5,999,961	2,780,474	10,935	8,791,370
6	46	35	2,317,594	—	2,317,594	5,193,567	1,721,087	24,298	6,938,952
7	46	53	2,045,527	200,163	2,245,690	5,267,271	2,781,331	91,847	8,140,449
8	43	50	1,915,180	—	1,915,180	5,754,876	1,794,453	483,886	8,033,215
9	47	35	1,724,479	—	1,724,479	5,989,275	1,916,101	331,659	8,237,035
1810	53	48	1,876,872	—	1,876,872	5,977,058	3,259,900	335,400	9,572,358

Packets and vessels taken up in India are not included in this Account.

N.B. Before the year 1799 the duties upon all goods sold by the Company, except tea since the year 1784, being paid by the Company, made part of the sale prices; but since that year the duties have been paid by the purchasers. Therefor whoever

wishes to compare the sales after that year with those before it, must add the duties, which may be taken, on an average, at thirty per cent on the sale amount.

Rates of insuring £100 from Bengal to England on ships of the following descriptions, distinguishing the risk on a single ship, expressly named, from the risk on ship or ships not ascertained.

	Premium		Return for convoy	
	on ship.	on goods.	from Bengal to St. Helena.	from St. Helena to England.
Company's regular ship . .	£7 7 0	£7 0 0		
Company's regular ship or ships	7 7 0	7 0 0		
Company's extra ship, and {	9 9 0		£ 1 0 0	£ 1 0 0
also ship or ships . . }		9 0 0	0 19 0	0 19 0
Indian ship, and also ship or } ships . . . }		15 15 0	2 10 0	2 10 0
Ship or ships generally .		15 15 0		
with return, if . .				
a regular ship of £8 and . . .	. . .	. . .	1 0 0	1 0 0
an extra ship . 6 and . . .	. . .	. . .	1 0 0	1 0 0
an Indian ship . . . .	. . .	. . .	2 10 0	2 10 0

N. B. In case of capture or other total loss, no returns are made, consequently the difference between the premium of £15 15 on ship or ships generally, and £7 on regular ships, amounts to £8 15 0 on the £100.

The above rates are copied from a paper delivered on the 1st of June 1809 to the Committee of the House of Commons on Indian affairs by Mr Grant Allen, and afterwards shown by the Committee to Mr William Bell, a merchant and underwriter, who confirmed the correctness of it.

An Account of the number of pieces, the amount of the proceeds, and average prices, of the Bengal piece goods, sold at the East-India Company's sales in the under-mentioned years, for account of the Company, and for account of private merchants.

Sold for account of the Company.			Years.	Sold for account of private merchants.		
Pieces sold.	Amount.	Average price.		Pieces sold.	Amount.	Average prices.
350,329	£ 648,756	£ 1 17 0	1797	136,761	£ 151,942	£ 1 3 0
723,127	1,219,818	1 14 0	1798	127,810	182,594	1 8 6
334,115	508,584	1 10 6	1799 M*	79,727	133,336	1 13 6
450,500	548,256	1 4 6	S	152,870	145,503	0 19 0
1,129,501	1,406,879	1 5 0	1800	304,530	317,828	1 0 10
838,712	1,179,447	1 8 6	1801	396,444	379,569	0 19 1
437,862	660,019	1 10 0	1802	1,252,503	960,864	0 15 4
242,164	293,832	1 4 3	1803 M	742,193	462,757	0 12 6
381,477	378,199	0 19 9	S†	343,546	202,452	0 11 10
442,952	424,456	0 19 0	1804 M	548,186	306,886	0 11 2
518,019	493,106	0 19 0	S	431,013	220,082	0 10 2
174,321	142,157	0 16 6	1805 M	320,727	193,665	0 12 0
None sold.			S	None sold.		
410,196	336,453	0 16 5	1806 M	113,233	67,453	0 11 10
199,500	146,466	0 14 9	S	96,264	61,602	0 12 0

The account is brought no lower than the year 1806, because in the subsequent years the very depressed prices might be ascribed to the operation of the exclusive system, which has been enforced against the British commerce upon the continent of Europe.

* M stands for the March sale, and S for the September sale.

† At this sale 494,648 pieces of the Company's, and 501,293 of the private merchants', goods were offered to the purchasers. The

quantity was more than could be taken off; and 113,171 pieces of the Company's goods, and 157,747 of the private goods, were laid aside for want of buyers. In some other sales quantities still larger have been laid aside.

A P P E N D I X, N° X.

State of the Trade between America and the British Settlements in the East-Indies, in the under-mentioned Years.

Imports.	Into Bengal.			Madras and its Dependencies.			Bombay and Surat.			Grand Total.		
Years.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.
	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.
1802 . . .	423,943	47,32,088	51,56,031	61,322	3,23,375	3,84,697	—	—	—	4,85,265	50,55,463	55,40,728
1803 . . .	2,49,507	42,63,133	45,12,640	29,151	9,37,407	9,66,558	—	—	—	2,78,658	52,00,540	54,79,198
1804 . . .	4,31,136	34,92,181	39,23,317	2,10,290	5,54,304	7,64,594	9,071	2,07,564	2,16,635	6,50,497	42,54,049	49,04,546
1805 . . .	10,89,904	49,78,006	60,67,910	3,98,513	20,31,776	24,30,289	95,660	94,500	1,90,160	15,84,077	71,04,282	86,88,359
1806 . . .	16,07,642	93,85,328	109,92,970	2,09,786	2,05,269	4,15,055	1,21,038	1,32,583	2,53,621	19,38,466	97,83,180	117,21,646
1807 . . .	6,90,762	51,38,301	58,29,063	1,10,884	24,38,045	25,48,929	17,035	1,95,640	2,12,675	8,18,681	77,71,986	85,90,667

Exports.	From Bengal.			Madras and its Dependencies.			Bombay and Surat.			Grand Total.		
Years.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.
	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.
1802 . . .	48,18,897	43,250	48,62,147	2,50,011	—	2,50,011	1,78,332	—	1,78,332	52,47,240	43,250	52,90,490
1803 . . .	66,70,800	89,258	67,60,058	2,50,566	—	2,50,566	—	—	—	69,21,366	89,528	70,10,624
1804 . . .	33,44,593	—	33,44,593	2,88,298	—	2,88,298	65,903	—	65,903	36,98,794	—	36,98,794
1805 . . .	62,78,055	—	62,78,055	1,324,290	—	1,324,290	1,12,866	—	1,12,866	77,15,211	—	77,15,211
1806 . . .	90,27,472	—	90,27,472	9,31,077	21,668	9,52,745	1,62,440	—	1,62,440	101,20,089	21,668	101,41,757
1807 . . .	71,13,281	—	71,13,281	4,28,124	—	4,28,124	1,62,609	—	1,62,609	77,04,014	—	77,04,014

The Sicca rupee may be valued upon an average, at two shillings sterling. The first number is to be read thus: four lacks, twenty-three thousand, nine hundred and forty three; and the others in the same manner.

A Statement of the Sorts and Value of Merchandize exported from Calcutta by British

	To London.						To America.				
	Piece Goods.	Indigo.	Sugar.	Raw Silk.	Sundries.	Total.	Piece Goods.	Indigo.	Sugar.	Sundries.	Total.
	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.
1796-7 -	12,94,222	30,56,592	4,77,000	12,471	2,39,055	50,79,340	20,77,886	50	3,34,284	1,48,085	25,60,305
1797-8 -	11,87,710	53,73,861	1,82,650	—	2,27,308	69,71,529	14,38,667	—	5,19,833	6 7,102	20,25,602
1798-9 -	8,85,058	23,71,941	3,75,999	4,800	4,70,036	41,07,834	8,30,459	—	1,70,860	1,61,858	11,63,177
1799-1800 -	15,23,479	35,28,416	6,98,667	4,20,598	6,20,246	67,91,406	28,44,333	—	6,59,340	2,82,264	37,85,937
1800-1 -	30,97,165	39,84,744	1,19,406	1,26,400	11,59,621	84,87,336	52,36,364	—	5,50,513	3,19,856	61,06,733
1801-2 -	66,68,290	37,71,407	2,17,899	1,70,906	25,68,918	1,33,97,420	41,52,244	—	3,10,379	1,03,205	45,65,828
1802-3 -	64,70,203	27,79,100	2,30,727	2,95,050	13,70,181	1,11,45,261	40,21,943	66,256	5,04,594	3,17,112	49,09,905
1803-4 -	48,72,016	42,29,921	672	9,56,444	7,59,492	1,08,18,545	54,50,835	33,716	8,53,313	4,22,192	67,60,056
1804-5 -	12,28,637	60,28,524	116	12,23,363	4,35,528	89,16,168	24,89,599	77,386	6,53,332	1,24,276	33,44,593
1805-6 -	3,31,582	45,23,124	54,478	7,87,106	4,02,775	60,99,065	47,63,132	2,13,890	11,69,261	1,31,772	62,78,055
Total Sa Rs -	2,75,58,362	3,96,47,630	23,57,614	39,97,138	82,53,160	8,18,13,904	3,33,05,462	3,91,298	57,25,709	20,77,772	4,15,00,191

Statement of the Sorts and Value of Merchandize exported from
1802 to

	To London.		
	Piece Goods.	Sundries.	Total.
	Sicca Rupees	Sicca Rupees.	Sicca Rupees.
1802	10,71,193	5,11,578	15,82,771
1803	18,28,570	7,56,172	25,84,742
1804	7,11,647	3,04,022	10,15,669
1805	1,35,476	3,40,172	4,75,648
Total Sicca Rupees .	37,46,886	19,11,944	56,58,830

For some account of the American exports of tea from China, see the Appendix, N° V.—Of the other branches of their trade in China I find no account:

dividuals and Foreign Europeans and Americans for the Years 1796-7 to 1805-6 inclusive.

To Foreign Europe.					Total London, America, and Foreign Europe.					
Piece Goods.	Indigo.	Sugar.	Sundries.	Total.	Piece Goods.	Indigo.	Sugar.	Raw Silk.	Sundries.	Grand Total.
Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.	Sa. Rs.
25,13,914	1,54,220	2,92,260	1,62,818	31,23,212	58,86,022	32,10,862	11,03,544	12,471	5,49,958	1,07,62,857
16,10,315	82,543	50,700	1,15,026	18,58,584	42,36,692	54,56,404	7,53,183	—	4,09,436	1,08,55,715
788,460	4,830	2,15,397	1,34,453	11,43,140	25,03,977	23,76,771	7,62,256	4,800	7,66,347	64,14,151
40,18,606	—	1,33,953	2,09,603	43,62,162	83,86,418	35,28,416	14,91,960	4,20,598	11,12,113	1,49,39,505
24,78,641	110	40,032	2,53,978	27,72,761	1,08,12,170	39,84,854	7,09,951	1,26,400	17,33,455	1,73,66,830
16,39,595	—	—	51,846	16,91,441	1,24,60,129	37,71,407	5,28,278	1,70,906	27,23,969	1,96,54,689
30,63,583	27,543	2,822	2,61,935	33,55,883	1,35,55,729	28,72,899	7,38,143	2,95,050	19,49,228	1,94,11,049
29,81,147	—	—	10,525	29,91,672	1,33,03,998	42,63,637	8,53,985	9,56,444	11,92,209	2,05,70,273
41,73,100	—	2,629	1,21,504	42,97,233	78,91,336	61,05,910	6,56,077	12,23,363	6,81,308	1,65,57,994
15,96,415	1,81,062	54,804	3,73,272	22,05,553	66,91,129	49,18,076	12,78,543	7,87,106	9,07,819	1,45,82,673
48,63,776	4,50,308	7,92,597	16,94,960	2,78,01,641	8,57,27,600	4,04,89,236	88,75,920	39,97,138	1,20,25,842	15,11,15,736

Madras by British Individuals and Foreign Europeans and Americans for 1805 inclusive.

To America.			To Foreign Europe.	Total London, America, and Foreign Europe.		
Piece Goods.	Sundries.	Total.	Piece Goods.	Piece Goods.	Sundries.	Grand Total.
Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.
1,46,755	14,685	1,61,440	1,12,610	13,30,558	5,26,263	18,56,821
2,38,714	—	2,38,714	}	20,67,284	7,56,172	28,23,456
1,37,027	45,097	1,82,124		8,48,674	3,49,119	11,97,793
11,11,018	47,438	11,58,456		12,46,494	3,87,610	16,34,104
16,33,514	1,07,220	17,40,734	1,12,610	54,93,010	20,19,164	75,12,174

* The suspension of Exports to Foreign Europe during these three years was occasioned by the Danes exporting their Goods from Tranquebar, and by the other European Nations remitting the Produce of their Import Cargoes to Bengal, by Bills on that Presidency.

An Account of the tunnage of goods shipped in London for India, and in India for London, by private merchants in the following seasons.

From London, tuns.	Seasons.	From India, tuns.
9,19	1793-4	
40	1794-5	2,424
31	1795-6	6,817
252	1796-7	4,190
0	1797-8	3,727
374	1798-9	14,679
196	1799-1800	9,782
130	1800-1	14,348
536	1801-2	14,862
1,872	1802-3	14,717
820	1803-4	6,866
1,382	1804-5	4,022
1,174	1805-6	7,062
773	1806-7	6,818
0	1807-8	3,819
<hr/> 8,499		<hr/> 114,133

} exclusive
of rice.

The quantity of shipping, required by the 87th section of the act 33 Geo. III, c. 52, for the above fifteen seasons, is forty-five thousand tuns.

I N D E X.

N. B. The word Company occurring very frequently, it is generally contracted to Co. which, when not under the head of any other Company, means the English East-India Company.

E. I. signify East-India or East Indies.

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| <p><i>ABERCROMBIE</i> (<i>General</i>) defeats the French in Egypt p. 230</p> <p><i>Acbeen</i>, the King of, receives the Co's Admiral kindly 81</p> <p>the King set against the English by the Dutch 87</p> <p>the King favours the English 91</p> <p><i>Aden</i>, antiently Arabia Felix, trades to Malacca 8</p> <p>supplies Egypt, &c. with Oriental goods 9</p> <p>repulses the Portuguese 24</p> <p><i>Africa</i> receives colonies from Sabæa 2</p> <p>factories settled on the west coast by merchants of Dieppe 7</p> <p>west coast explored and colonized by the Portuguese 10</p> <p>east coast subjected by the Portuguese 19, 21</p> <p>and made a separate government 31</p> <p><i>Albuquerque</i> (<i>Alfonso</i>) a victorious and beneficent governor of Portuguese India 23, 25</p> <p><i>Alexandria</i>, the entrepot between the East and the West, becomes the commercial capital of the Roman empire 3</p> <p>its trade declines and again revives 6, 9</p> <p><i>America</i> discovered about the year 1000 10 n.</p> <p>the discovery (or rediscovery) by Chr. Colon, a new æra in the history of commerce 10</p> <p><i>Americans of the United States</i>, nature of British trade with 360</p> <p>allowed to trade with British India, and have thereby reaped great advantages in consequence of the war 226</p> <p>their trade facilitated by the Co's establishments 376</p> <p>sell ships in India 379</p> <p>statements of their trade 378 n. Append. x, xi.</p> <p><i>Angria's</i> piratical state subdued 181</p> <p><i>Anne</i> (<i>Queen</i>) takes a concern in uniting the two E. I. Co's 161, 167</p> <p><i>Antwerp</i>, the emporium of Europe, ruined 41, 42</p> <p><i>Arabians</i>, the first traders with India 1</p> <p>supply Egypt, &c. with Oriental goods 1, 2, 3</p> <p>their commerce extended by their conquests 5</p> | <p><i>Arabians</i>, supply Egypt with Oriental goods in the present day 4 n</p> <p>See <i>Moors</i>.</p> <p><i>Arcot</i>, revolutions of 178, 179, 182</p> <p>part of the revenue transferred to the Co. in compensation for assistance of their army 182</p> <p>Nabob distressed by Hyder Ally 204</p> <p>agreements with the Nabob for the protection of his dominions and payment of his debts 239</p> <p><i>Arguments for and against India trade</i> 335</p> <p><i>Arguments for and against exclusive Companies</i> 338</p> <p>for and against the Dutch Company 339</p> <p>French Company 342</p> <p>English Company 346</p> <p><i>Arkwright's</i> machinery brings the labour of Britain upon cotton goods nearer to a level with that of India, and reduces the demand for silk 136, 223</p> <p><i>Assada</i>, a settlement proposed at 119</p> <p><i>Athenians</i> exported silver 337 n</p> <p><i>Balk</i>, a mart for Oriental goods 9</p> <p><i>Bank of England</i> Directors must not be Directors of the E. I. Co. 167</p> <p><i>Bank of Paris</i>, projected by Law, is successful 265</p> <p>taken into the King's hands and proprietors paid off with Mississippi shares 268</p> <p>Government, against Law's advice, inundate the kingdom with notes 269</p> <p>bank made over to the Co. of the Indies 269</p> <p>gold banished from circulation, and money diminished 270</p> <p><i>Bantam</i>, E. I. Co's Admiral favourably received at, and a factory settled 82</p> <p>Co's ships load pepper 84, 85, 86, 88, 89, 90, 91, 94</p> <p>is the Company's chief factory 125</p> <p>Co's servants expelled from it by the Dutch 138</p> <p><i>Bassora</i> enriched by the Oriental trade 9</p> <p><i>Bencoolen</i>, a settlement made at 139</p> <p>reduced from a presidency to a residence 230</p> <p><i>Bengal</i> visited by Fitch in the 16th century 75</p> <p style="text-align: right;">Bengal,</p> |
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